



WI Sales Finance Company License Transition Checklist (Company)

CHECKLIST SECTIONS

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GENERAL INFORMATION

Transition to NMLS

Companies holding the WI Sales Finance Company License are required to submit a license transition request through NMLS by filing a Company Form (MU1) and an Individual Form (MU2) for each of their control persons by October 31, 2023. Failure to complete an MU2 for each control person before the transition request is submitted will result in a federal FBI criminal background check through NMLS to be required. The Sales Finance Company License will be available in NMLS to submit the transition request starting August 1, 2023. The transition to NMLS for this license is required.

Note: If you already have a record in NMLS and have submitted these forms in the past, you do not need to re-enter your company information into NMLS. You will only need to identify the business activities your company conducts and the states in which the various activities are conducted. Then, you will select the appropriate license in WI, and complete a few state-specific fields.

It is important that current licensees have their WI license number available when completing and submitting their Company Form (MU1), so they are not charged a new application fee. The transition number is your 3 digit sales finance company license number.

Any licensee that needs to amend or surrender a license (or execute any other action previously completed in paper form) must complete these actions within NMLS after August 1, 2023. WI encourages current licensees to update their information with WDFI by August 1, 2023, so there will be no pending changes to submit at the time of transition.

Sales finance company licensees must comply with Wis. Stat. ss. 218.0101-218.0163 and Wis. Admin. Code ch. DFI-Bkg. 76; however, there are also other state statutes and administrative code that include provisions that may apply to sales finance companies. Some of these regulations include:

- The Wisconsin Consumer Act: Wis. Stat. chs. 421-427 and Wis. Admin. Code ch. DFI-WCA 1
 - Chapter 422: Consumer Credit Transactions
 - Chapter 425: Remedies and Penalties
 - Chapter 427: Debt Collection

- Marital Property Law: Wis. Stat. ch. 766
- Chapter 429: Leases

Activities Authorized Under This License

This license authorizes the following activities...

- Sales finance company activities - motor vehicles.

Document Uploads Guidance

Documents that must be uploaded to the *Document Uploads* section of the Company Form (MU1) in NMLS are indicated in the checklist below. When uploading documents:

- Follow the guidance in [Document Upload Descriptions and Examples](#).
- Only upload documents relevant to the company transition.
- Only upload documents where there is a selectable document category. If inappropriate documents are uploaded that should not be, you will be contacted by your regulator and asked to remove them from NMLS.
- Do not upload the same company documents multiple times. Generally, unless the document is state-specific, if the document has already been uploaded for another state, a new upload is not required unless changes have been made.
- If a document previously uploaded has been revised, delete the old document and replace it with the new document (history of the old document will remain in NMLS).
- For state-specific documents (e.g., Surety Bonds), be sure to indicate the applicable state.

Helpful Resources

- [Transitioning an Existing Company License Quick Guide](#)
- [Document Upload Descriptions and Examples](#)
- [Individual Form \(MU2\) Filing Quick Guide](#)
- [Financial Statements Quick Guide](#)
- [Payment Options Quick Guide](#)
- [License Status Definitions Quick Guide](#)

Agency Contact Information

Contact DFI's Division of Banking by phone at [608-261-7578](tel:608-261-7578) or send your questions via email to DFI_LFS@dfi.wisconsin.gov for additional assistance.

For U.S. Postal Service:

Wisconsin Department of Financial Institutions
Division of Banking
PO Box 7876
Madison, WI 53707-7876

For Overnight Delivery:

Wisconsin Department of Financial institutions
Division of Banking
North Tower
4822 Madison Yards Way
Madison, WI 53705

THE APPLICANT/LICENSEE IS FULLY RESPONSIBLE FOR ALL OF THE REQUIREMENTS OF THE LICENSE FOR WHICH THEY ARE APPLYING. THE AGENCY SPECIFIC REQUIREMENTS CONTAINED HEREIN ARE FOR GUIDANCE ONLY TO FACILITATE APPLICATION THROUGH NMLS. SHOULD YOU HAVE QUESTIONS, PLEASE CONSULT LEGAL COUNSEL.

LICENSE FEES - Fees collected through NMLS are NOT REFUNDABLE OR TRANSFERABLE.

Complete	WI Sales Finance Company License	Submitted via...
<input type="checkbox"/>	<p>WI License/Registration Transition Fee: \$50</p> <p>This is the minimum WI License Renewal Fee for 2024. If the volume of purchases from Nov 1, 2022 to October 31, 2023 exceeds \$100,000, an invoice will be created for the balance of the license fee. WI will request transaction volume from licensee on November 1, 2023.</p> <p>NMLS Initial Processing Fee: \$0</p>	NMLS (Filing submission)
<input type="checkbox"/>	<p>Reinstatement Fee: \$100</p> <p>Additional charge for late renewal between January 1 and February 28, 2024.</p>	NMLS (Agency Fee Invoice)

REQUIREMENTS COMPLETED IN NMLS		
Complete	WI Sales Finance Company License	Submitted via...
<input type="checkbox"/>	<p>Submission of Company Form (MU1): Complete and submit the Company Form (MU1) in NMLS. This form serves as the transition request for the license/registration through NMLS.</p> <p>See the Transitioning an Existing License Quick Guide for instructions on how to submit the transition request.</p> <p><i>When selecting your license in the Company Form (MU1), you will be asked to enter your existing license number. Be sure to enter the appropriate WDFI sales finance company license number in this section (3 digit number only)</i></p> <p>All current licensees must transition their license onto NMLS on or before October 31, 2023.</p>	NMLS
<input type="checkbox"/>	<p>Financial Statements: Upload the most recent fiscal year end audited financial statements or unaudited statements dated no earlier than 7/31/23. All financial statements submitted must be prepared in accordance with Generally Accepted Accounting Principles using accrual basis accounting. Financial statements should include a balance sheet, income statement, and all relevant notes thereto.</p> <p>A minimum tangible net worth of \$10,000 and positive working capital is required. When evaluating a financial statement, the division typically discounts (subtracts from equity) intangible assets; receivables from officers, stockholders, and other related parties; employee advances; receivables over 120 days past due; and any other assets of questionable value.</p> <p>Note: Financial statements are uploaded separately under the Filing tab and <i>Financial Statement</i> submenu link. See the Financial Statements Quick Guide for instructions.</p>	NMLS
<input type="checkbox"/>	<p>Other Trade Name: If operating under a name that is different from the licensee's legal name, that name ("Trade Name", "Assumed Name" or "DBA") must be listed under the <i>Other Trade Names</i> section of the Company Form (MU1). WI does not allow more than 5 other trade names.</p>	NMLS
<input type="checkbox"/>	<p>Resident/Registered Agent: The WI Resident/Registered Agent must be listed under the <i>Resident/Registered Agent</i> section of the Company Form (MU1).</p>	NMLS
<input type="checkbox"/>	<p>Primary Contact Employees: The following individuals must be entered into the <i>Contact Employees</i> section of the Company Form (MU1).</p> <ol style="list-style-type: none"> Primary Company Contact. The individual named as the primary company contact must be responsible for receiving communication from WDFI. Primary Consumer Complaint Contact. The individual named as the primary consumer complaint contact must be responsible for receiving communication from WDFI pertaining to consumer complaints. 	NMLS

<input type="checkbox"/>	<p>Non-Primary Contact Employees: WDFI requires that an individual(s) be identified as a Non-Primary Contact for the following areas. These contacts must be listed in the <i>Contact Employees</i> section of the Company Form (MU1).</p> <ol style="list-style-type: none"> 1. Licensing 2. Consumer Complaint (Public) 3. Exam Delivery 4. Pre-Exam Contact 	NMLS
Note	<p>Bank Account: Bank account information is not required. The <i>Bank Account</i> section of the Company Form (MU1) can be left blank.</p>	N/A
<input type="checkbox"/>	<p>Disclosure Questions: Provide a complete and detailed explanation and document upload for each “Yes” response to Disclosure Questions made by the company or related control persons (MU2).</p> <p>See the Company Disclosure Explanations Quick Guide for instructions.</p>	<p>Upload in NMLS in the <i>Disclosure Explanations</i> section of the Company Form (MU1) or Individual Form (MU2).</p>
Note	<p>Qualifying Individual: The <i>Qualifying Individual</i> section is not required to be completed for WI on the Company Form (MU1).</p>	N/A
<input type="checkbox"/>	<p>Control Person (MU2) Attestation: Complete the Individual Form (MU2) in NMLS for each key officer (CEO, COO, President, CFO, Treasurer, Secretary, Exec. VP or highest level VP), individual with direct ownership of 10% or more, and individual with indirect ownership of 25% or more with the power to direct the management or policies. This form must be attested to by the applicable control person before it is able to be submitted along with the Company Form (MU1).</p>	NMLS
Note	<p>Credit Report: Individuals in a position of control are NOT required to authorize a credit report through NMLS.</p>	N/A
Note	<p>MU2 Individual FBI Criminal Background Check Not Required Through NMLS: Direct Owners/Executive Officers, Indirect Owners, and Qualifying Individuals are NOT required to authorize a FBI criminal background check (CBC) through NMLS.</p>	N/A

<input type="checkbox"/>	<p>Surety Bond: Submit a bond in the amount of \$25,000 furnished by a surety company authorized to conduct business in WI. The name of the principal insured on the bond must match exactly to the full legal name of applicant. The Surety Bond Requirement may be satisfied by completing one of the following:</p> <ol style="list-style-type: none"> 1. Electronic Surety Bond: Submit an Electronic Surety Bond (ESB) via NMLS in the amount listed above furnished and submitted by a surety company authorized to conduct business in WI. See the ESB Adoption Table and the ESB for NMLS Licensees page of the NMLS Recourse Center for more information. <p>Note: Surety bonds submitted via the <i>Document Uploads</i> section will not satisfy this requirement.</p> <ol style="list-style-type: none"> 2. Irrevocable Letter of Credit: Submit an irrevocable letter of credit which does not expire on or before December 31, 2024. This document should be uploaded in NMLS under the Document Type <u>Surety Bond – Alternate Security Device</u> in the <i>Document Uploads</i> section of the Company Form (MU1). This document should be named <i>Sales Finance Company Security Device</i>. 	<ol style="list-style-type: none"> 1. Electronic Surety Bond in NMLS Or; 2. Upload in NMLS: under <u>Surety Bond – Alternate Security Device</u> in the <i>Document Uploads</i> section of the Company Form (MU1).
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REQUIREMENTS/DOCUMENTS UPLOADED IN NMLS		
Complete	WI Sales Finance Company	Submitted via...
<input type="checkbox"/>	<p>Branch Location(s): Upload a list of branch locations where sales finance company activity is conducted.</p>	<p>Upload in NMLS: Under the Document Type <u>Additional Requirement(s)</u> in the <i>Document Uploads</i> section of the Company Form (MU1)</p>
<input type="checkbox"/>	<p>Management Chart: Submit a Management chart displaying the licensee’s directors, officers, and managers (individual name and title). Must also identify compliance reporting and internal audit structure.</p> <p>This document should be named <i>[Company Legal Name] Management Chart</i>.</p> <p>Note: If the existing uploaded management chart already includes the above information, an additional document does not need to be uploaded. A company should only upload a single management chart.</p>	<p>Upload in NMLS: under <u>Management Chart</u> in the <i>Document Uploads</i> section of the Company Form (MU1).</p>

<input type="checkbox"/>	<p>Organizational Chart/Description: Submit a chart showing (or a description which includes) the percentage of ownership of:</p> <ul style="list-style-type: none"> • Direct Owners (total direct ownership percentage must equate to 100%) • Indirect Owners • Subsidiaries and Affiliates of the licensee <p>This document should be named <i>[Company Legal Name] Organizational Chart – Description</i>.</p> <p>Note: If the existing uploaded Organizational Chart/Description already includes the above information, an additional document does not need to be uploaded. A company should only upload a single management chart.</p>	<p>Upload in NMLS: under <u>Organizational Chart/Description</u> in the <i>Document Uploads</i> section of the Company Form (MU1).</p>
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REQUIREMENTS SUBMITTED OUTSIDE OF NMLS		
Complete	WI Sales Finance Company	Submitted via...
<input type="checkbox"/>	<p>Financial Statement Details: Submit the following details as of the date of the financial statement uploaded to NMLS:</p> <ul style="list-style-type: none"> • Total balance of receivables reported on the balance sheet, other than related party receivables, that are at least 120 days past due • Allowance for doubtful accounts • Identity of debtor and balance of each receivable due from a company officer, employee, affiliate, or other related party • Net goodwill • Net leasehold improvements • Itemization of other assets 	<p>Email to WDFI: Email to DFI_LFS@dfi.wisconsin.gov using subject line “FS for [company name]”.</p>