TN Flexible Credit License
New Application Checklist (Company)

CHECKLIST SECTIONS

- General Information
- License Fees
- Requirements Completed in NMLS
- Requirements/Documents Uploaded in NMLS
- Requirements Submitted Outside of NMLS

GENERAL INFORMATION

Who Is Required to Have This License?
Flex loan means a loan pursuant to a written agreement between a licensee and a customer establishing an open-end credit plan under which the licensee contemplates repeated noncommercial loans for personal, family, or household purposes, that: (A) may be unsecured or secured by personal property; (B) may be without fixed maturities or limitation as to the length of the term; and (C) are subject to prepayment in whole or in part at any time without penalty. A person shall be deemed to be engaged in the business of making flex loans in this state if the person induces a consumer, while located in this state, to enter into a flex loan plan in this state through the use of the internet, facsimile, telephone, or other means. A separate license shall be required for each location from which the business of making flex loans is conducted.

Activities Authorized Under This License
This license authorizes the following activities...

- Consumer Loan Lending – Flex Loans

Pre-Requisites for License Applications

- None

Tennessee Department of Financial Institutions does issue paper licenses for this license type.

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 application.
- 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**
- Company Form (MU1) Filing Instructions
- 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 Tennessee Department of Financial Institutions, Compliance Division licensing staff by phone at (615) 253-6714 or send your questions via email to ask.licensing@tn.gov for additional assistance.

*For U.S. Postal Service & Overnight Delivery:*

Tennessee Department of Financial Institutions  
Compliance Division  
Tennessee Tower, 26th Floor  
312 Rosa L. Parks Avenue  
Nashville, TN 37243

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**THE APPLICANT/LICENSEE IS FULLY RESPONSIBLE FOR ALL OF THE REQUIREMENTS OF THE LICENSE FOR WHICH THEY ARE APPLYING. THE AGENCY SPECIFIC REQUIREMENTS CONTAINED HEREBIN 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.**

<table>
<thead>
<tr>
<th>Complete</th>
<th>TN Flexible Credit License</th>
<th>Submitted via...</th>
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</table>
| □        | **TN Application Fee:** $1,025  
**NMLS Initial Processing Fee:** $100 | NMLS (Filing submission) |
<p>| □        | <strong>Credit Report for Control Persons:</strong> $15 per control person. | NMLS (Filing submission) |
| □        | <strong>FBI Criminal Background Check for MU2 Individual:</strong> $36.25 per person. | NMLS (Filing submission) |</p>
<table>
<thead>
<tr>
<th>Requirement</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Submissions of Company Form (MU1):</strong> Complete and submit the Company Form (MU1) in NMLS. This form serves as the application for the license/registration through NMLS.</td>
</tr>
<tr>
<td><strong>Financial Statements:</strong> Upload an audited balance sheet and income statement for the immediately preceding fiscal year end, prepared in accordance with generally accepted accounting principles by a certified public accountant or public accounting firm not affiliated with the applicant.</td>
</tr>
<tr>
<td>For a newly created entity, the commissioner may accept only an audited balance sheet prepared by a certified public accountant or public accounting firm not affiliated with the applicant, accompanied by a projected income statement demonstrating that the applicant will have adequate capital after payment of start-up costs.</td>
</tr>
<tr>
<td>The Audited Financial Statement must illustrate a company Tangible Net Worth of $50,000.</td>
</tr>
<tr>
<td><strong>Note:</strong> Financial statements are uploaded separately under the Filing tab and Financial Statement submenu link. See the Financial Statements Quick Guide for instructions.</td>
</tr>
<tr>
<td><strong>Other Trade Name:</strong> If operating under a name that is different from the applicant’s legal name, that name (“Trade Name”, “Assumed Name” or “DBA”) must be listed under the Other Trade Names section of the Company Form (MU1). TN does not limit the number of other trade names.</td>
</tr>
<tr>
<td>If operating under an “Other Trade Name”, upload document(s) regarding ability to do business under that trade name.</td>
</tr>
<tr>
<td>This document should be named [State-License Type] Trade Name – Assumed Name.</td>
</tr>
<tr>
<td><strong>Resident/Registered Agent:</strong> The Resident/Registered Agent must be listed under the Resident/Registered Agent section of the Company Form (MU1) and must match the information currently on record with TN.</td>
</tr>
<tr>
<td><strong>Primary Contact Employees:</strong> The following individuals must be entered into the Contact Employees section of the Company Form (MU1).</td>
</tr>
<tr>
<td>1. Primary Company Contact.</td>
</tr>
<tr>
<td>2. Primary Consumer Complaint Contact.</td>
</tr>
<tr>
<td><strong>Note:</strong> TN does not require any non-primary contacts to be listed in the Contact Employees section of the Company Form (MU1).</td>
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<tr>
<td>Note</td>
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MU2 Individual FBI Criminal Background Check Requirements: The following Individuals, as specified below, on the Company Form (MU1) are required to authorize a FBI criminal background check (CBC) through NMLS.

**Direct Owners**

*Executive Officers*
- Includes but not limited to the CEO, COO, CFO, President, Vice President(s), Secretary and Treasurer.

**Indirect Owners**
- Individuals owning directly or indirectly with participation rights, a 10% or more interest in the company (including all individuals listed on Schedule A of the NMLS Application with a 10% or more ownership).

**Managing Members**
- If an LLC

**Executive Officers**
- Including but not limited to the CEO, COO, CFO, President, Vice President(s), Secretary and Treasurer.

**General Partners**
- Including general and limited partners

**Equitable 10% or more Owners**
- Individuals owning directly or indirectly with participation rights, a 10% or more interest in the company (including all individuals listed on Schedule A of the NMLS Application with a 10% or more ownership).

**Note:** The Department reserves the right to require fingerprints from any other individual (not covered above) who directs the affairs of the company or establishes policy.

After authorizing a FBI criminal background check through the submission of the Company Form (MU1) and Individual Form (MU2), you must schedule an appointment to be fingerprinted if new prints are required.

See the [Criminal Background Check section](#) of the NMLS Resource Center for more information.

**Note:** If you are able to ‘Use Existing Prints’ to process the FBI criminal background check, you DO NOT have to schedule an appointment. NMLS will automatically submit the fingerprints on file.

<table>
<thead>
<tr>
<th>REQUIREMENTS/DOCUMENTS UPLOADED IN NMLS</th>
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<td>Complete</td>
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<thead>
<tr>
<th><strong>Business Plan:</strong></th>
<th><strong>Upload in NMLS:</strong></th>
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<tbody>
<tr>
<td>Upload a business plan outlining the following information:</td>
<td>under the Document Type Business Plan in the Document Uploads section of the Company Form (MU1).</td>
</tr>
<tr>
<td>- Marketing strategies</td>
<td></td>
</tr>
<tr>
<td>- Products</td>
<td></td>
</tr>
<tr>
<td>- Target markets</td>
<td></td>
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<tr>
<td>- Fee schedule</td>
<td></td>
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<tr>
<td>- Operating structure the applicant intends to employ.</td>
<td></td>
</tr>
<tr>
<td>This document should be named <em>[Company Legal Name] Business Plan</em>.</td>
<td></td>
</tr>
<tr>
<td><strong>Note:</strong> If the existing uploaded business plan already includes the above information, an additional document does not need to be uploaded. A company should only upload a single business plan. If state-specific material is required, this information should be added to the existing uploaded business plan.</td>
<td></td>
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<tr>
<th><strong>Certificate of Authority/Good Standing Certificate:</strong></th>
<th><strong>Upload in NMLS:</strong></th>
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<tbody>
<tr>
<td>Upload a State-issued and approved document (typically by the Secretary of State’s office), dated not more than 60 days prior to the filing of the application through NMLS that demonstrates authorization to do business in TN.</td>
<td>under the Document Type Certificate of Authority/Good Standing Certificate in the Document Uploads section of the Company Form (MU1).</td>
</tr>
<tr>
<td>This document should be named *[State prefix] Certificate of Authority OR [State prefix] Certificate of Good Standing].</td>
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</tbody>
</table>
**Formation Documents:** Determine classification of applicant’s legal status and submit a State certified copy of the requested applicable documentation detailed below. Original formation documents and all subsequent amendments, thereto including a list of any name changes.

- **Sole Proprietor**
  - Eligibility Verification Letter. Click [here](#) to access the Form.

- **Unincorporated Association:**
  - By-Laws or constitution (including all amendments).

- **General Partnership:**
  - Partnership Agreement (including all amendments).

- **Limited Liability Partnership:**
  - Certificate of Limited Liability Partnership; and
  - Partnership Agreement (including all amendments).

- **Limited Partnership:**
  - Certificate of Limited Partnership; and
  - Partnership Agreement (including all amendments).

- **Limited Liability Limited Partnership:**
  - Certificate of Limited Liability Limited Partnership; and
  - Partnership Agreement (including all amendments).

- **Limited Liability Company (“LLC”):**
  - Articles of Organization (including all amendments);
  - Operating Agreement (including all amendments);
  - IRS Form 2553 or IRS Form 8832 if S-corp treatment elected; and
  - LLC resolution if authority not in operating agreement.

- **Corporation:**
  - Articles of Incorporation (including all amendments);
  - By-laws (including all amendments), if applicable;
  - Shareholder Agreement (including all amendments), if applicable;
  - IRS Form 2553 if S-corp treatment elected; and
  - Corporate resolution if authority to complete application not in By-Laws or Shareholder Agreement, as amended, as applicable.

- **Trust (Statutory):**
  - Certificate of Trust; and
  - Governing instrument (all amendments).

**Upload in NMLS:** under **Formation Document** in the **Document Uploads** section of the Company Form (MU1).

This document should be named *Formation Documentation [Date of Creation (MM-DD-YYYY)]*.

**Management Chart:** Submit a Management chart displaying the applicant’s directors, officers, and managers (individual name and title). Must also identify compliance reporting and internal audit structure.

This document should be named *[Company Legal Name] Management Chart.*

**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.

**Upload in NMLS:** under **Management Chart** in the **Document Uploads** section of the Company Form (MU1).
**Organizational Chart/Description:** Submit a chart showing (or a description which includes) the percentage of ownership of:

- Direct Owners (total direct ownership percentage must equate to 100%)
- Indirect Owners
- Subsidiaries and Affiliates of the applicant/licensee

This document should be named *[Company Legal Name] Organizational Chart – Description.*

**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.

**Surety Bond:** Submit a bond, furnished by a surety company authorized to conduct business in Tennessee, in the amount $25,000 for each location, but the aggregate amount of the bond required for a single licensee is limited to $200,000.

The Surety Bond Requirement may be satisfied completing one of the following:

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 Tennessee. See the [ESB Adoption Table](#) and the [ESB for NMLS Licensees](#) page of the NMLS Recourse Center for more information.

2. **Surety Bond – Alternate Security Device:** Submit an irrevocable letter of credit, in the amount listed above, issued by any federally insured bank, savings bank or credit union, none of which is affiliated with the applicant. This document should be uploaded in NMLS under the Document Type Surety Bond – Alternate Security Device in the Document Uploads section of the Company Form (MU1). This document should be named *[License Type] Security Device.* An original copy of this document must also be mailed to the address listed above.

## INDIVIDUAL (MU2) DOCUMENTS UPLOADED IN NMLS
**Credit Report Explanations:** Submit a line by line, detailed letter of explanation of all derogatory credit accounts along with proof of payoffs, payment arrangements and evidence of payments made, or evidence of any formal dispute filed (documents must be dated). Accounts to address include, but are not limited to: collections items, charge offs, accounts currently past due, accounts with serious delinquencies in the last 3 years, repossessions, loan modifications, etc.

**Note:** Items regarding bankruptcy, foreclosure actions, outstanding judgments or liens, or delinquent child support payments should be addressed in the Disclosure Explanations section of your Individual Form (MU2).

This document should be named *Credit Report Explanations – Sub Name – Document Creation Date*.

**Upload in NMLS:** under the Document Type Credit Report Explanations in the Document Uploads section of the Individual Form (MU2).

| | **Verification of Experience:** Provide a license specific resume with detailed job descriptions and/or duties performed evidencing experience in the industry the company is applying for a license. Detailed job descriptions and duties with all employers need to be incorporated into a resume to demonstrate experience related to the specific state license being applied for.

This document should be named *[Document Type] – License Name*.

**Upload in NMLS:** under the Document Type Verification of Experience in the Document Uploads section of the Individual Form (MU2). |
<table>
<thead>
<tr>
<th>Complete</th>
<th>TN Flexible Credit License</th>
<th>Submitted via...</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td><strong>Surety Bond:</strong> Submit the original bond in the amount described above.</td>
<td><strong>Mail to:</strong> Tennessee Department of Financial Institutions, Compliance Division</td>
</tr>
</tbody>
</table>