



WI Sales Finance Company License New Application Checklist (Company)

CHECKLIST SECTIONS

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GENERAL INFORMATION

Who Is Required to Have This License?

Any company, partnership, or sole proprietor that does business under Wis. Stat. ss. 218.0101 to 218.0163, and acquires retail installment contracts and/or consumer leases that are originated by Wisconsin motor vehicle and recreational vehicle dealers.

Sales finance company licensees must comply with Wis. Stat. ss. 218.0101 to 218.0163 and Wis. Admin. Code ch. DFI-Bkg. 76; however, there are also other state statutes and administrative codes 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. Stats. ch. 766
- Chapter 429: Leases

Activities Authorized Under This License

This license authorizes the following activities...

- Sales finance company activities – motor vehicle.

The Wisconsin Department of Financial Institutions (WDFI) does not 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 DFI's Division of Banking licensing staff by phone at [\(608\)261-7578](tel:6082617578) 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"/>	WI License/Registration Fee: \$50 Annual Licensing Fee WI Application Fee: \$300 Nonrefundable Investigation Fee NMLS Initial Processing Fee: \$0	NMLS (Filing submission)
<input type="checkbox"/>	Credit Report for Control Persons: \$15 per control person.	NMLS (Filing submission)
<input type="checkbox"/>	FBI Criminal Background Check for MU2 Individual: \$36.25 per person.	NMLS (Filing submission)

REQUIREMENTS COMPLETED IN NMLS		
Complete	WI Sales Finance Company License	Submitted via...
<input type="checkbox"/>	Submission of Company Form (MU1): Complete and submit the Company Form (MU1) in NMLS. This form serves as the application for the license/registration through NMLS.	NMLS
<input type="checkbox"/>	Other Trade Name: 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 <i>Other Trade Names</i> section of the Company Form (MU1). WI does not allow more than 5 other trade names.	NMLS
<input type="checkbox"/>	Resident/Registered Agent: The WI Resident/Registered Agent must be listed under the <i>Resident/Registered Agent</i> section of the Company Form (MU1).	NMLS
<input type="checkbox"/>	Primary Contact Employees: The following individuals must be entered into the <i>Contact Employees</i> section of the Company Form (MU1). <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"/>	Non-Primary Contact Employees: WI 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). <ol style="list-style-type: none"> Licensing Consumer Complaint (Public) Exam Delivery Pre-Exam Contact 	NMLS
Note	Bank Account: Bank account information is not required. The <i>Bank Account</i> section of the Company Form (MU1) can be left blank.	N/A
<input type="checkbox"/>	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). See the Company Disclosure Explanations Quick Guide for instructions.	Upload in NMLS in the <i>Disclosure Explanations</i> section of the Company Form (MU1) or Individual Form (MU2).
Note	Qualifying Individual: The <i>Qualifying Individual</i> section is not required to be completed for WI on the Company Form (MU1).	N/A

<input type="checkbox"/>	<p>Control Person (MU2) Attestation: Complete the Individual Form (MU2) in NMLS. 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
<input type="checkbox"/>	<p>Credit Report: Individuals in a position of control are required to authorize a credit report through NMLS. Individuals will be required to complete an Identity Verification Process (IDV) along with an individual attestation before a license request for your company can be filed through NMLS. This authorization is made when the Individual Form (MU2) is submitted as part of the Company Form (MU1).</p>	NMLS
<input type="checkbox"/>	<p>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.</p> <p><i>Direct Owners</i></p> <ul style="list-style-type: none"> Individuals owning 10% or more of the applicant <p><i>Indirect Owners</i></p> <ul style="list-style-type: none"> Individuals with the power to direct the management or policies of the applicant/licensee who indirectly own 25% or more of the applicant <p><i>Key Officers, Key members, or Partners of the applicant</i></p> <ul style="list-style-type: none"> Key officers include, but are not limited to, the chief executive officer, chief operating officer, chief financial officer, president, executive or senior vice president (or the highest-level vice president if there is no executive or senior vice president) secretary, and treasurer. <p>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.</p> <p>See the Criminal Background Check section of the NMLS Resource Center for more information.</p> <p>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.</p>	NMLS
<input type="checkbox"/>	<p>Surety Bond: Submit a bond in the amount \$25,000 furnished by a surety company authorized to conduct business in Wisconsin. The name of the principal insured on the bond must match exactly to the full legal name of applicant and include any fictitious name(s)/assumed name it plans to use for WI Activity. The Surety Bond Requirement may be satisfied by completing one of the following:</p> <ol style="list-style-type: none"> 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 Resource Center for more information. 	<p>1. Electronic Surety Bond in NMLS</p> <p>Or;</p> <p>2. Upload in NMLS: under the Document Type <u>Surety Bond – Alternate Security Device</u> in the <i>Document Uploads</i> section of the</p>

	<p>2. Irrevocable Letter of Credit: Submit an irrevocable letter of credit (LOC) issued by a federally insured financial institution, as defined in Wis. Stat. s. 705.01(3), which does not expire on or before December 31st, of the current year. The LOC must be payable to the state of Wisconsin for the use of the state and of any person who sustains a loss because of an act of a sales finance company that constitutes grounds for the suspension or revocation of a license.</p>	Company Form (MU1) and Mail to WDFI
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REQUIREMENTS/DOCUMENTS UPLOADED IN NMLS		
Complete	WI Sales Finance Company License	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 <u>Document Uploads</u> section of the Company Form (MU1)</p>
<input type="checkbox"/>	<p>Business Plan: Upload a business plan outlining the following information:</p> <ul style="list-style-type: none"> • Marketing strategies • Products & Services • Target markets • Fee schedule • Operating structure the applicant intends to employ. • Management team <p>This document should be named <i>[Company Legal Name] Business Plan</i>.</p> <p>Note: 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.</p>	<p>Upload in NMLS: under the Document Type <u>Business Plan</u> in the <u>Document Uploads</u> section of the Company Form (MU1).</p>
<input type="checkbox"/>	<p>Certificate of Authority/Good Standing Certificate: Upload a State-issued and approved document (typically by the Secretary of State's office), from the state of organization or incorporation, if other than Wisconsin, dated not more than 90 days prior to the filing of the application through NMLS.</p> <p>This document should be named <i>[[State prefix] Certificate of Authority OR [State prefix] Certificate of Good Standing]</i>.</p>	<p>Upload in NMLS: under the Document Type <u>Certificate of Authority/Good Standing Certificate</u> in the <u>Document Uploads</u> section of the Company Form (MU1).</p>

<input type="checkbox"/>	<p>Financial Statements: Upload an internally prepared balance sheet and income statement for the applicant that is dated within 90 days of the date of the application. If cash accounts for 20% or greater of the overall assets, bank statement(s) and bank reconciliation(s) must also be provided which support the cash balance disclosed on the balance sheet. If applicable, also provide an itemization of the “Other Assets” category and an Aging Report that identifies the <u>total balance</u> of all receivables delinquent 120 days or more.</p> <p>Audited financial statements for the most recent fiscal year end should also be submitted if the applicant is audited by a certified public accountant on an annual basis. The financial statements submitted must be prepared in accordance with Generally Accepted Accounting Principles using accrual basis accounting.</p> <p>The financial statements must be for the legal entity applying for the license, be consolidated if the applicant has subsidiaries, and demonstrate a minimum tangible net worth of \$10,000 and positive net working capital. 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. Upload supporting documents in NMLS under <u>Additional Requirements</u> in the <i>Document Uploads</i> section of the Company Form (MU1) titled Wisconsin Financial Statement Supporting Document.</p>	<p>Upload in NMLS under <i>Financial Statement Summary</i> in the Company Form (MU1).</p> <p>Upload in NMLS under <u>Additional Requirements</u> in the <i>Document Uploads</i> section of the Company Form (MU1). Titled: Wisconsin Financial Statement Supporting Document</p>
<input type="checkbox"/>	<p>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.</p> <p>The chart should include the applicant’s directors and officers.</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 the Document Type <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 applicant/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 the Document Type <u>Organizational Chart/Description</u> in the <i>Document Uploads</i> section of the Company Form (MU1).</p>

INDIVIDUAL (MU2) DOCUMENTS UPLOADED IN NMLS

<input type="checkbox"/>	<p>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.</p> <p>Note: Items regarding bankruptcy, foreclosure actions, outstanding judgments or liens, or delinquent child support payments should be addressed in the <i>Disclosure Explanations</i> section of your Individual Form (MU2).</p> <p>This document should be named <i>Credit Report Explanations – Sub Name – Document Creation Date</i>.</p>	<p>Upload in NMLS: under the Document Type <u>Credit Report Explanations</u> in the <i>Document Uploads</i> section of the Individual Form (MU2).</p>
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REQUIREMENTS SUBMITTED OUTSIDE OF NMLS

Complete	WI Sales Finance Company License	Submitted via...
<input type="checkbox"/>	<p>Certificate of Authority: Entity must register with the WDFI as applicable. The registration must demonstrate authorization to do business in Wisconsin. You do not need to attach evidence of this registration; it will be checked by the Department upon receipt of your application.</p>	<p>WDFI Website</p>
<input type="checkbox"/>	<p>Irrevocable Letter of Credit: If applicable, a letter of credit which does not expire on or before December 31st, of the current year</p>	<p>Mail to WDFI</p>
<input type="checkbox"/>	<p>Supplemental Questions: Complete the Supplemental Sales Finance Company Application Questions Form and send it to WDFI.</p>	<p>Mail to WDFI or email to DFI_LFS@wi.gov</p>