PR Retail Installment Sales and Finance Company 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?
A Sales Finance License is required to any individual, corporation, partnership, association, or any other juridical or natural entity, who is engaged, wholly or partially, directly or indirectly, in the business of providing financing, purchasing or otherwise acquiring retail installment sale contracts or interest thereon, executed by other persons. This term includes persons engaged in the business of financing insurance policy premiums. It also includes persons who engage in self-financing with a retail installment sale portfolio of one million dollars ($1,000,000) or more, and credit card issuers who are not covered under any special law that authorizes them to do such business.

Please see Puerto Rico Act No. 68 of June 5, 1973, as amended, known as “Retail Installment Sales and Financing Companies Act”, and Regulation 6070 (L.A.P.R. §731 et seq.).

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

- Sales finance company activities – motor vehicles. Providing financing to one or more retail buyers or purchasing retail installment contracts from one or more retail sellers in connection with motor vehicles.
- Sales finance company activities – general. Providing financing to one or more retail buyers or purchasing retail installment contracts from one or more retail sellers in connection with products other than motor vehicles.
- Premium finance company activities -- Entering into agreements by which an insured or prospective insured promises to pay to an insurance premium finance company the amount advanced or to be advanced under the agreement to an insurer or to an insurance agent or broker in payment of premiums on an insurance contract together with a service charge.
- Retail installment selling -- Selling or assigning retail installment contracts.

Pre-Requisites for License Applications

- None.
The Puerto Rico Office of the Commissioner of Financial Institutions 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 Permits and Licensing Division licensing staff by phone at *(787) 723-3131* x2197, 2336, 2214, or send your questions via email to *reglamentacion@ocif.pr.gov* for additional assistance.

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**For U.S. Postal Service:**

COMMISSIONER OF FINANCIAL INSTITUTIONS
PERMITS AND LICENSING DIVISION
PO BOX 11855
SAN JUAN, PR 00910-3855

**For Overnight Delivery:**

COMMISSIONER OF FINANCIAL INSTITUTIONS
PERMITS AND LICENSING DIVISION
1492 PONCE DE LEON AVE. SUITE 600
CENTRO EUROPA BLDG.
SAN JUAN, PR 00907

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.

<table>
<thead>
<tr>
<th>Complete</th>
<th>Retail Installment Sales and Finance Company License</th>
<th>Submitted via...</th>
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<tbody>
<tr>
<td></td>
<td>PR License/Registration Fee: $500.00</td>
<td>NMLS (Filing submission)</td>
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<td>PR Application Fee: $500.00</td>
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<td>NMLS Initial Processing Fee: $0</td>
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<td>Credit Report for Control Persons: $15 per control person.</td>
<td>NMLS (Filing submission)</td>
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**REQUIREMENTS COMPLETED IN NMLS**

<table>
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<tr>
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</thead>
<tbody>
<tr>
<td></td>
<td>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.</td>
<td>NMLS</td>
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<tr>
<td></td>
<td>Financial Statements: Upload a Unaudited financial statement prepared by a Certified Public Accountant in accordance with Generally Accepted Accounting Principles dated within 90 days of your fiscal year end. Financial statements should include a balance sheet, income statement, and statement of cash flows and all relevant notes thereto. If applicant is a start-up company, only an initial statement of condition is required. The financial statement must illustrate a company net worth of $50,000.00. <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>
<td>NMLS</td>
</tr>
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<td></td>
<td>Other Trade Names: If this company is 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). PR does not allow more than 1 of other trade names. Sales Finance License are prohibited from using more than one other trade name for each license obtained.</td>
<td>NMLS</td>
</tr>
<tr>
<td></td>
<td>Resident/Registered Agent: The Resident/Registered Agent, or Direct owner, etc. must be listed under the Resident/Registered Agent section of the Company Form (MU1) and must match the information currently on record with.</td>
<td>NMLS</td>
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### Primary Contact Employees
The following individuals must be entered into the Contact Employees section of the Company Form (MU1).

1. Primary Company Contact.
2. Primary Consumer Complaint Contact.

### Non-Primary Contact Employees
Puerto Rico Office of the Commissioner of Financial Institutions requires that an individual(s) be identified as a Non-Primary Contact for the following areas. These contacts must be listed in the Contact Employees section of the Company Form (MU1).

1. Licensing
2. Consumer Complaint (Public)
3. Consumer Complaint (Regulator)
4. Pre-Exam Contact

### Note
- **Bank Account:** Bank account information is not required. The Bank Account section of the Company Form (MU1) can be left blank.
- **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.

### Qualifying Individual
This is the individual who is employed by the licensee and has principal managerial authority over the provision of sales financing services by the licensee in Puerto Rico. This individual must be listed in the Qualifying Individual section of Company Form (MU1).

### 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).

### 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).

### Note
- **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.
  - **Note:** See the Requirements/Documents Uploaded in NMLS or Requirements Completed Outside of NMLS section for CBC requirements.
## REQUIREMENTS/DOCUMENTS UPLOADED IN NMLS

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<tr>
<td></td>
<td><strong>Business Plan</strong>: Upload a business plan outlining the following information:</td>
<td><strong>Upload in NMLS</strong>: under the Document Type Business Plan in the Document Uploads section of the Company Form (MU1).</td>
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<tr>
<td></td>
<td>- Marketing strategies</td>
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<td>- Products</td>
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<td>- Target markets</td>
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<td>- Fee schedule</td>
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<td>- Operating structure the applicant intends to employ.</td>
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<td></td>
<td>This document should be named <em>[Company Legal Name] Business Plan</em>.</td>
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<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>
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<td><strong>Certificate of Authority/Good Standing Certificate</strong>: 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 the applicant’s state of formation and/or PR.</td>
<td><strong>Upload in NMLS</strong>: under the Document Type Certificate of Authority/Good Standing Certificate in the Document Uploads section of the Company Form (MU1).</td>
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<td>This document should be named <em>[PR] Certificate of Authority OR [PR] Certificate of Good Standing]</em>.</td>
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<td><strong>Document Samples</strong>: Upload copies of the following sample documents used in the regular course of business in connection with this license:</td>
<td><strong>Upload in NMLS</strong>: under the Document Type Document Samples in the Document Uploads section of the Company Form (MU1).</td>
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<tr>
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<td>- <strong>SALES FINANCING CONTRACT</strong></td>
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<td></td>
<td>This document should be named <em>[SALES FINANCING CONTRACT]</em>.</td>
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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
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.

Not for Profit Corporation
- Documents requested of a Corporation; and
- Proof of nonprofit status
  - Internal Revenue Service ("IRS") 501(c)(3) designation letter; or
  - statement from a State taxing body or the State attorney general certifying that: (i) the entity is a nonprofit organization operating within the State; and (ii) no part of the entity’s net earnings may lawfully benefit any private shareholder or individual; or
  - entity's certificate of incorporation or similar document if it clearly establishes the nonprofit status of the applicant; or
  - Any of the three preceding items described, if that item applies to a State or national parent organization, together with a statement by the State or parent organization that the applicant is a local nonprofit affiliate.

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

Upload in NMLS: under the Document Type 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.

**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.

**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`.

**Legal Name/Status Documentation:** Upload legal documentation of legal name or legal status. This may be certified copies of divorce decree, marriage certificate, copy of driver’s license, passports, etc.

This document should be named `[Document Name]` (Ex. Driver’s License, Marriage Certificate, etc.).
| **Memorandum of Tax Certification:** Provide a certified memorandum indicating all tax obligations to the State have been paid or that a payment plan (if applicable) is in place.  
This document should be named [PR] – Memorandum of Tax Certification. |
| **Upload in NMLS:** under the Document Type Memorandum of Tax Certification in the Document Uploads section of the Individual Form (MU2). |

| **Personal Financial Statement:** The following individuals, as specified below, on the Company Form (MU1) are required to upload a personal financial statement.  
*Direct Owners*  
- any person who directly possesses or controls or intends to possess or control ten percent (10%) or more  
*Executive Officers*  
*Indirect Owners*  
- any person who directly possesses or controls or intends to possess or control ten percent (10%) or more  
*Qualifying Individuals*  
This document should be named [PR] – Personal Financial Statement. |
| **Upload in NMLS:** under the Document Type Personal Financial Statement 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 [RESUME] – License Name. |
| **Upload in NMLS:** under the Document Type Verification of Experience in the Document Uploads section of the Individual Form (MU2). |
**REQUIREMENTS SUBMITTED OUTSIDE OF NMLS**

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<td></td>
<td><strong>State Background Check:</strong> The following individuals, as specified below, on the Company Form (MU1) are required to mail a Criminal Background check.</td>
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<td><strong>Direct Owners</strong></td>
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<td>• any person who directly possesses or controls or intends to possess or control ten percent (10%) or more</td>
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<td><strong>Executive Officers</strong></td>
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<td></td>
<td>• any person who directly possesses or controls or intends to possess or control ten percent (10%) or more</td>
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<td><strong>Indirect Owners</strong></td>
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<td><strong>Qualifying Individuals</strong></td>
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<td>Must cover the last 10 years. If the state or country of residence does not provide the service, a private provider may be used.</td>
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<td><strong>Note:</strong> This is separate from the NMLS federal background check for the submission of the Individual Form (MU4).</td>
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<td><strong>Mail to</strong> Puerto Rico Office of the Commissioner of Financial Institutions</td>
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