



# CA-DFPI California Financing Law License New Application Checklist

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## CHECKLIST SECTIONS

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## GENERAL INFORMATION

### Types of Licenses Issued

A California Financing Law license can be issued as a finance lender, a broker or both finance lender and broker. (A PACE program administrator is also licensed under the California Financing Law but applicants for that license should follow the [Property Assessed Clean Energy \(PACE\) Program Administrator New Applicant Checklist](#).)

### Who Is Required to Have This License?

Any individual or company that engages in the business of making consumer or commercial loans, or any individual or company that engages in the business of negotiating or performing any act as a broker in connection with loans made by a finance lender, whether secured by residential or commercial real property, personal property, or unsecured, must obtain this license through NMLS.

### Who Does Not Need This License

- Banks, trust companies, savings and loan associations, insurance premium finance agencies, credit unions, small business investment companies, California business and industrial development corporations, or licensed pawnbrokers.
- A company licensed under the California Residential Mortgage Lending Act when acting under the authority of that license.
- A California licensed real estate broker when making or arranging a loan secured by a lien on real property.
- A broker-dealer licensed in accordance with [Section 25211 of the Corporations Code](#).
- Any public corporation as defined in [Section 67510 of the Government Code](#) and any public entity other than the state as defined in [Section 811.2 of the Government Code](#).
- A company that makes no more than one commercial loan in a 12-month period and does not otherwise engage in the business of lending.
- A company that makes five or fewer commercial loans in a 12-month period, where the loans are incidental to the business of the company, and the company does not otherwise engage in the business of lending.
- Other available exemptions under the California Financing Law can be found in the California Financial Code commencing with [section 22050](#).

## License Delivery

CA-DFPI ordinarily sends licenses electronically to the licensee's designated e-mail address.

## Pre-Requisites for License Applicants

- Residential mortgage broker and lending applicants must have a minimum net worth of \$250,000 calculated in accordance with generally accepted accounting principles. All other applicants must have a minimum net worth of \$25,000.
- An applicant must maintain a surety bond in a minimum amount of \$25,000.
- An applicant must undergo a criminal background check of the company, its owners, officers, and control persons.
- The applicant and its officers, owners, and control persons may not have committed an act substantially related to the licensed activity involving dishonesty, fraud, or deceit.
- If an applicant has offered or sold any security in this state that requires a securities notice filing with the DFPI, including under Corporations Code sections [25102](#) or [25102.1](#), the applicant must ensure the filing has been made. For more information, visit [Frequently Asked Questions and Answers for Corporate Securities Law](#).

Documents that must be uploaded to the *Document Uploads* section of the Company Form (MU1) in NMLS must be uploaded before or at the time of electronic submission of the application through NMLS. **All documents required to be mailed to the Department must be received within 5 business days of the electronic submission of the application in NMLS.** Refer to the checklist for documents that must be uploaded and/or mailed.

## 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 an applicable document category. If an inapplicable document is uploaded in a category, you will be asked to remove it from NMLS.
- If a document previously uploaded has been revised, delete the old document and replace it with the new document (the history of the old document will remain in NMLS).
- For state-specific documents (ex., the business plan), 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 the Department of Financial Protection and Innovation by phone at (866) 275-2677 or send your questions via email to [CFL.Inquiries@DFPI.ca.gov](mailto:CFL.Inquiries@DFPI.ca.gov) for additional assistance. For all documents required to be submitted directly to CA-DFPI, mail the documents to the following address.

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

*Department of Financial Protection and Innovation  
CFL Licensing Unit – New Applications  
320 West 4<sup>th</sup> Street, Suite 750  
Los Angeles, CA 90013*

**THE APPLICANT/LICENSEE IS FULLY RESPONSIBLE FOR ALL 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.**

NMLS ID Number	
Legal Name	

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

Complete	CA-DFPI California Financing Law License	Submitted via...
<input type="checkbox"/>	<b>CA-DFPI Investigation Fee:</b> \$100 <b>CA-DFPI Application Fee:</b> \$200 <b>NMLS Initial Processing Fee:</b> \$100	NMLS (Filing submission)

**REQUIREMENTS COMPLETED IN NMLS**

Complete	CA-DFPI California Financing Law License	Submitted via...
<input type="checkbox"/>	<b>Submission of Company Form (MU1):</b> Complete and submit the Company Form (MU1) in NMLS. This form serves as the application for the license. <b>Note:</b> The attestation of the Company Form (MU1) and all amendments to the MU1 must be completed by a duly authorized individual who has submitted an Individual Form (MU2) or has been delegated to attest to the filing by an individual who has submitted a Form MU2. <b>MU2 individuals include an owner, officer, or control person of the company.</b>	NMLS
<input type="checkbox"/>	<b>Resident/Registered Agent:</b> The Resident/Registered Agent must be listed under the <i>Resident/Registered Agent</i> section of the Company Form (Section 4 of the MU1) and must match the information on record with California Secretary of State. The registered agent must be located in California.	NMLS
<input type="checkbox"/>	<b>Primary Contact Employees:</b> The following individuals must be entered in the <i>Contact Employees</i> section of the Company Form (MU1). <ol style="list-style-type: none"> <li><b>Primary Company Contact</b></li> <li><b>Primary Consumer Complaint Contact</b></li> </ol>	NMLS
<input type="checkbox"/>	<b>Books and Records:</b> Indicate the location where the company maintains its California books and records in the <i>Business Address</i> field of the <i>Books and Record Information</i> section of the Company Form (MU1).	NMLS
<input type="checkbox"/>	<b>Affiliates and Subsidiaries:</b> The <i>Affiliates/Subsidiaries</i> section of the Company Form (Section 12 of the MU1) must be completed by applicants engaged in consumer brokering or lending, including residential mortgage brokering or lending. Applicants engaged only in commercial brokering or lending are not required to complete the <i>Affiliates/Subsidiaries</i> section.	NMLS

<input type="checkbox"/>	<p><b>Qualifying Individual:</b> Identify an on-site/branch manager for the main office location. The business address of the onsite/branch manager must match the address listed as the “Main Address” on the Company Form (MU1).</p> <p><b>This individual must be listed in the <i>Qualifying Individual</i> section of Company Form (MU1).</b></p>	NMLS
<input type="checkbox"/>	<p><b>NMLS Individual Form (MU2):</b> Submit an Individual Form (MU2) for each executive officer, control person, qualifying individual, and individual direct or indirect 10 percent or more owner.</p> <p><b>Note regarding 10 percent or more owners:</b> Natural persons who directly or indirectly own more than 10 percent of the applicant solely as an economic interest without the ability to elect or direct management, or otherwise exercise control of the applicant or the applicant’s lending activities in any way, are not required to submit Form MU2 or fingerprints. An applicant should reference <a href="#">title 10, California Code of Regulations section 1404</a> subdivisions (l) and (m), or the <a href="#">Background Check Guidance</a>, for further information.</p> <p><b>Note regarding control persons:</b> In addition to directors, general partners, managing members, trustees, and other similar individuals with authority to exercise control over the policies and operations of the applicant, “control person” includes an executive officer or control person of an entity owning 10 percent or more of the applicant (directly or indirectly) if that individual is responsible for the day-to-day business decisions related to the applicant’s lending activities.</p>	NMLS

REQUIREMENTS/DOCUMENTS UPLOADED IN NMLS		
Complete	CA-DFPI California Financing Law License	Submitted via...
<input type="checkbox"/>	<p><b>Business Plan:</b> Upload a business plan on the <a href="#">Plan of Business form</a> outlining the following information:</p> <ul style="list-style-type: none"> <li>Clearly state the type of license applied for – lender, broker or lender and broker –at the top of the business plan.</li> <li>Describe in sufficient detail the business to be conducted by the applicant under this license.</li> <li>Provide the operating structure applicant intends to employ: <ul style="list-style-type: none"> <li>The intended sources of capital.</li> <li>The intended market for the loans, including the credit worthiness of intended borrowers.</li> <li>The intended methods for marketing the loans.</li> <li>The anticipated terms of the loans.</li> <li>The methods for disbursing funds to the borrower.</li> <li>Any products or services offered or required in connection with the loans.</li> <li>Any cobranding or joint agreements with other organizations related to the making of the loans.</li> <li>Whether the applicant intends to retain or sell the loans, in whole or in part, and the intended purchasers, if applicable.</li> <li>Whether any other business is solicited or engaged in at the same</li> </ul> </li> </ul>	<p><b>Upload in NMLS</b> under the Document Type <i>Business Plan</i> in the <i>Document Uploads</i> section of the Company Form (MU1).</p>

	<p>place as the proposed lending activity.</p> <ul style="list-style-type: none"> <li>Whether, and to what extent, the applicant intends to use third parties to perform any of its lending functions, such as marketing, underwriting, servicing, or any other functions.</li> </ul> <p>Title this document <i>CA CFL [Company Legal Name] Business Plan</i>.</p>	
<input type="checkbox"/>	<p><b>Other Business:</b> Provide a detailed description of the activities the applicant intends to engage in that are in addition to engaging in the business of making consumer or commercial loans or negotiating or performing any act as a broker of such loans under the authority of a California Financing Law license. Identify any products or services to be offered and if applicable, identify any license or registration obtained from another authority authorizing the other business.</p> <p>If the applicant does not intend to engage in any other business, upload a statement to that effect.</p> <p>Title this document <i>CA CFL [Company Legal Name] Other Business Activities</i>.</p> <p><b>Note:</b> This requirement does not apply to applicants that are engaged in commercial lending of loans of \$5,000 or more, pursuant to Financial Code section 22550 if the provisions of this section are not used for the purpose of evading the CFL.</p>	<p><b>Upload in NMLS</b> under the Document Type <i>Business Plan</i> in the <i>Document Uploads</i> section of the Company Form MU1.</p>
<input type="checkbox"/>	<p><b>Other Trade Name:</b> If operating under a name that is different from the applicant's legal name (Fictitious Business Name, Trade Name, Assumed Name, Forced Name or DBA):</p> <ul style="list-style-type: none"> <li>List <b>each</b> name under the <i>Other Trade Names</i> section of the Company Form (MU1).</li> <li>Upload a copy of the Fictitious Business Name Statement bearing the seal of the Country Clerk for <b>each</b> name to be used in California.</li> </ul> <p>In California, a company is not authorized to use a fictitious business name if a forced/assumed name is issued by the California Secretary of State. The California Department of Financial Protection and Innovation does not limit the number of other trade names.</p> <p>Refer to <a href="#">section 17900 et seq. of the Business and Professions Code</a> for the requirements of filing this statement.</p> <p>Title this document <i>CA CFL [Company Legal Name] Fictitious Business Name/Trade Name/Assumed Name/DBA</i>.</p>	<p><b>Upload in NMLS</b> under the Document Type <i>Trade Name/Assumed Name Registration Certificates</i> in the <i>Document Uploads</i> section of the Company Form (MU1).</p>
<input type="checkbox"/>	<p><b>Financial Statements:</b> Provide an unaudited financial statement prepared in accordance with Generally Accepted Accounting Principles dated within 90 days of the date of the application. For residential mortgage brokers and lenders, the financial statement must reflect the required minimum net worth of \$250,000, unless licensed as a broker only, then requirement is \$50,000. For applicants not engaged in the business of residential mortgage lending or brokering, the minimum net worth is \$25,000.</p> <p><b>Note:</b> Financial statements are uploaded separately under the Filing tab and <i>Financial Statement</i> submenu link.</p>	<p><b>Upload in NMLS:</b></p> <p>See the <a href="#">Financial Statements Quick Guide</a> for instructions.</p>

<input type="checkbox"/>	<p><b>Certificate of Authority/Good Standing Certificate (ALL APPLICANTS):</b> Upload a Certificate of Authority/Certificate of Good Standing from the California Secretary of State that reflects the following:</p> <ul style="list-style-type: none"> <li>• The applicant's legal name</li> <li>• Dated not more than sixty (60) days prior to the filing of the application through NMLS</li> <li>• Demonstrating the applicant is authorized to transact business in the State of California</li> </ul> <p>This requirement applies to all applicants (corporations, limited liability companies, limited partnerships, and trusts).</p> <p>Title this document <i>CA Certificate of Authority or CA Certificate of Good Standing.</i></p>	<p><b>Upload in NMLS</b> under the Document Type <i>Certificate of Authority/Good Standing Certificate</i> in the <i>Document Uploads</i> section of the Company Form (MU1).</p>
<input type="checkbox"/>	<p><b>Certificate of Authority/Good Standing Certificate (FOREIGN ENTITY):</b> Upload a Certificate of Good Standing from the Secretary of State of the state of incorporation or formation that reflects the following:</p> <ul style="list-style-type: none"> <li>• The applicant's legal name</li> <li>• Dated not more than sixty (60) days prior to the filing of the application through NMLS</li> <li>• Demonstrating the applicant is authorized to transact business in the state of incorporation or formation</li> </ul> <p>This requirement applies to all applicants (corporations, limited liability companies, limited partnerships, and trusts).</p> <p>Title this document <i>[State prefix] Certificate of Authority or [State prefix] Certificate of Good Standing.</i></p>	<p><b>Upload in NMLS</b> under the Document Type <i>Certificate of Authority/Good Standing Certificate</i> in the <i>Document Uploads</i> section of the Company Form (MU1).</p>
<input type="checkbox"/>	<p><b>Organizational Chart/Description:</b> Upload an organizational chart that shows and includes a description of the percentage of ownership of all direct and indirect owners.</p> <p><b>The total direct ownership and indirect ownership percentages must equate to 100%.</b></p> <p>Title this document <i>CA [Company Legal Name] Organizational Chart</i></p>	<p><b>Upload in NMLS</b> under <i>Organizational Chart/Description</i> in the <i>Document Uploads</i> section of the Company Form (MU1).</p>
<input type="checkbox"/>	<p><b>Management Chart:</b> Upload a management chart displaying the applicant's divisions, directors, officers, and managers (name and title). The chart must also identify compliance reporting and internal audit structure. The named individuals should match those disclosed in the Direct Owners and Executive Officers section of the Company Form (MU1).</p> <p><b>The chart should identify the lowest level of management.</b></p> <p>Title this document <i>CA [Company Legal Name] Management Chart.</i></p>	<p><b>Upload in NMLS</b> under <i>Management Chart</i> in the <i>Document Uploads</i> section of the Company Form (MU1).</p>

<input type="checkbox"/>	<p><b>Disclosure Questions:</b> Provide a complete and detailed explanation and upload supporting documentation for each <i>yes</i> response to any Disclosure Question. If a <i>yes</i> response applies to multiple incidents, each incident must have its own explanation and supporting documentation. See the <a href="#">Company Disclosure Explanations Quick Guide</a> for instructions.</p>	<p><b>Upload in NMLS</b> in the <i>Disclosure Explanations</i> section of the Company Form (MU1).</p>										
<input type="checkbox"/>	<p><b>Electronic Surety Bond:</b> Provide an Electronic Surety Bond via NMLS in the amount described below, furnished and submitted by a surety company authorized to conduct business in California.</p> <p>See the <a href="#">ESB Adoption Table</a> and the <a href="#">ESB for NMLS Licensees page</a> of the NMLS Recourse Center for more information.</p> <p><b>Note:</b> Surety bonds submitted via the <i>Document Uploads</i> section will not satisfy this requirement.</p> <ul style="list-style-type: none"><li>A mortgage lender, mortgage broker, or mortgage lender and broker must post a surety bond in an amount based on the table below.</li></ul> <p><b>Surety Bond Requirements for Mortgage Lenders and Mortgage Brokers</b></p> <table><tr><th><i>Dollar Amount of Loans Made in Prior Year</i></th><th><i>Bond Amount</i></th></tr><tr><td>0 - \$1,000,000</td><td>\$25,000</td></tr><tr><td>\$1,000,001 - \$50,000,000</td><td>\$50,000</td></tr><tr><td>\$51,000,001 - \$500,000,000</td><td>\$100,000</td></tr><tr><td>Over \$500,000,001</td><td>\$200,000</td></tr></table> <ul style="list-style-type: none"><li>For all other finance lenders and brokers, and program administrators, the surety bond posted must be in the amount of <b>\$25,000</b>.</li></ul>	<i>Dollar Amount of Loans Made in Prior Year</i>	<i>Bond Amount</i>	0 - \$1,000,000	\$25,000	\$1,000,001 - \$50,000,000	\$50,000	\$51,000,001 - \$500,000,000	\$100,000	Over \$500,000,001	\$200,000	<p><b>Electronic Surety Bond in NMLS</b></p>
<i>Dollar Amount of Loans Made in Prior Year</i>	<i>Bond Amount</i>											
0 - \$1,000,000	\$25,000											
\$1,000,001 - \$50,000,000	\$50,000											
\$51,000,001 - \$500,000,000	\$100,000											
Over \$500,000,001	\$200,000											
<input type="checkbox"/>	<p><b>Customer Authorization for Disclosure of Financial Records:</b> Complete and upload a <i>Customer Authorization for Disclosure of Financial Records Form</i>.</p> <ul style="list-style-type: none"><li>The name on the authorization must be the same name on file with the California Secretary of State.</li><li>The signature must be of a person named in the Direct Owners and Executive Officers section of the Company Form (MU1)</li><li><a href="#">Click to download form</a></li></ul> <p>Title this document <i>CA CFL [Company Legal Name] Customer Authorization</i></p>	<p><b>Upload in NMLS</b> under the Document Type <i>Additional Requirement(s)</i> in the <i>Document Uploads</i> section of the Company Form (MU1).</p>										
<input type="checkbox"/>	<p><b>Execution Section:</b> The Execution Section must be completed by an authorized individual of the applicant who has submitted a NMLS Individual Form. The statements contained in the document and the application must be attested to as being true and correct, and the requested information must be completed and submitted with the checklist. <a href="#">Click to download CFL Execution Section form</a>.</p> <p>Title this document <i>CA CFL [Company Legal Name ] Execution Section</i></p>	<p><b>Upload in NMLS</b> under the Document Type <i>Additional Requirement(s)</i> in the <i>Document Uploads</i> section of the Company Form (MU1).</p>										
<b>INDIVIDUAL (MU2) DOCUMENTS UPLOADED IN NMLS</b>												
<input type="checkbox"/>	<p><b>Disclosure Questions:</b> Provide a complete and detailed explanation and upload documentation for each <i>yes</i> response to Disclosure Questions made by the</p>	<p><b>Upload in NMLS</b> in the <i>Disclosure Explanations</i></p>										



	<p>company related control persons (MU2). If a yes response applies to multiple incidents, each incident must have its own explanation and documentation upload.</p> <p>See the <a href="#">Individual Disclosure Explanations Quick Guide</a> for instructions.</p>	<p>section of the Individual Form (MU2).</p>
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NMLS ID Number	
Legal Name	

**[Please complete with your NMLS ID number and legal name and mail this cover page with all fingerprint documents to the DFPI]**

REQUIREMENTS SUBMITTED OUTSIDE OF NMLS		
Complete	CA-DFPI California Financing Law License	Submitted via...
<input type="checkbox"/>	<p><b>Fingerprint Requirement:</b> Submit fingerprints for each individual identified under <i>NMLS Individual Form (MU2)</i>, above.</p> <p>For in-state individuals:</p> <ul style="list-style-type: none"> <li>Complete the form <a href="#">DFPI-CFL Request for Live Scan Service</a> for each individual submitting a set of fingerprints and provide the set of fingerprints through a live scan location in California. A <a href="#">list of live scan locations</a> may be found on the California Department of Justice's website.</li> <li>After submitting fingerprints through the live scan location, provide a copy of the form <a href="#">DFPI-CFL Request for Live Scan Service</a>, completed by the operator at the live scan location, and a \$20 processing fee for each set of fingerprints by mail to the DFPI. The processing fee must be paid by check made payable to the Department of Financial Protection and Innovation. Refer to the <a href="#">Background Check Guidance</a> for further information.</li> </ul> <p>For out-of-state individuals:</p> <ul style="list-style-type: none"> <li>Individuals unable to submit fingerprints at a live scan location in California must submit fingerprints through a fingerprint hard card completed at the local law enforcement agency.</li> <li>Obtain an FBI fingerprint hard card (FD-258 or FD-1164). (The FBI fingerprint hard card (FD-258 or FD-1164) is widely available and may be obtained from any source. The form may not be downloaded and an original FD-258 on card stock is required.)</li> <li>Submit the completed fingerprint hard card and an \$69 processing fee for each set of fingerprints. The processing fee must be paid by check made payable to the Department of Financial Protection and Innovation. Refer to the <a href="#">Background Check Guidance</a> for further information.</li> </ul> <p>The fingerprint requirement applies to all applicable persons regardless of national origin or foreign location.</p>	<p><b>Mail to CA-DFPI:</b></p> <p><b>For in-state individuals:</b> After submitting fingerprints through a live scan location, mail to CA-DFPI the completed copy of the DFPI-CFL Request for Live Scan Service form and the \$20 processing fee for each set of fingerprints.</p> <p><b>For out-of-state individuals:</b> Mail to CA-DFPI the \$69 processing fee and the completed fingerprint hard card for each set of fingerprints.</p>
<input type="checkbox"/>	<p><b>DESIGNATED E-MAIL:</b> CA-DFPI licensees must provide and maintain a designated email account for communications with the Department, <a href="#">per the Commissioner's Order issued November 22, 2013, and California Financial Code section 331.5</a>. In order to create a designated email address, you must register</p>	<p><a href="#">DFPI Self Service Portal</a></p> <p><b>Note:</b> Select "Register Option-B"</p>

	<p>for a <a href="#">DFPI Self-Service Portal Account</a>.</p> <p><a href="#">Click for instructions on creating a designated email.</a></p> <p>Notices of obligations under the CFL will be sent to this designated email account. The account must be continuously monitored and maintained.</p> <p><b>Note:</b> When establishing a designated email account in the Self-Service Portal, CFL applicants and licensees must select “Register Option B.”</p>	
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