



RE: REGULATED LOAN ACT

Application may be made on the attached forms for a Regulated Loan license for a location in Minnesota, pursuant to provisions of Minnesota Statute, Chapter 56. A copy of this statute is available from the Minnesota's Bookstore, 660 Olive Street, St. Paul, Minnesota 55155, (651) 297-3000, or online at <https://www.revisor.mn.gov/statutes/>. A copy of the current annual report is enclosed and should be used to establish and segregate needed accounting records.

An \$750 check payable to the **"Department of Commerce"** is required to be submitted with the application. The \$750 includes a \$500 applicant investigation fee, and a \$250 licensee fee. The license is renewable annually beginning January 1 to December 31 for \$250.

Licensed locations must retain copies of legal instruments and individual account payment records for periodic compliance examination by Financial Institutions examiners. Examination fees are based on actual time required to perform examinations. In addition, each licensee is subject to an annual assessment fee based on the volume of loans made or contracts purchased each year.

If the proposed loan activity involves making or purchasing Minnesota residential real estate loans, the Applicant must also be licensed under Minnesota Statute, Chapter 58, the "Minnesota Residential Mortgage Originator and Servicer Licensing Act". The required license would be a Residential Mortgage Originator Certificate of Exemption, which is available at www.commerce.state.mn.us.

Mail the completed, signed application to the Department of Commerce, Division of Financial Institutions, 85 7th Place East, Suite 500, St. Paul, Minnesota 55101-2198. Should there be any questions, please contact Darrell May, Review Examiner, at (651) 539-1705.

Licensee: _____ Address: _____

2. Minnesota address to which the license is to be issued, if different from question 1.
Note: a license can only be issued for a location in Minnesota.

| Minnesota | | | | |
|-----------|------|-------|----------|--------|
| Address | City | State | Zip Code | County |

3. A Minnesota Corporation or Limited Liability Company must furnish a filed copy of the Certificate of Authority from the Secretary of State.

4. Foreign corporations or companies. Date authorized to do business in Minnesota: _____
Provide a copy of Certificate of Authority to transact business in the State of Minnesota.

Licensee: _____ Address: _____

5. Provide the applicant's most recent financial statement (reference the sample annual report for form) to determine compliance with the \$50,000 liquid asset requirement of Minnesota Statute, Section 56.04.

6. Name and address of the lawful agent on whom all legal processes may be served.

Agent Name

Address City State Zip Code

7. If a Sole Proprietor or Partnership, give name and residence address below; if a Limited Liability Company, give names and resident addresses of the board of governors, chief manager and treasurer; if a Corporation or Association, give names, titles and resident addresses of the directors, trustees and principal officers. A biographical statement (as provided with this application) must be submitted.

| Full Name of Officer or Governor | Official Title | % of Ownership | Residence Address | Business Address |
|----------------------------------|----------------|----------------|-------------------|------------------|
| | | | | |
| | | | | |
| | | | | |
| | | | | |

(Use separate sheet if additional space is needed)

8. Complete for the holders of 10 percent or more of the issued and outstanding stock or membership interest of the applicant corporation or limited liability company. A biographical statement (as provided with this application) must be submitted.

| Full Name of Officer or Governor | Official Title | % of Ownership | Residence Address | Business Address |
|----------------------------------|----------------|----------------|-------------------|------------------|
| | | | | |
| | | | | |
| | | | | |
| | | | | |

(Use separate sheet if additional space is needed)

9. Name, phone number, and address of the manager who is to have charge of the business under the license. A biographical statement (as provided with this application) must be submitted.

Name () Phone

Address (if different from #2) City State Zip Code

Licensee: _____ Address: _____

10. Name and address of contact person, if different from manager, to whom correspondence may be directed after license is issued.

| Name | Title | () | Phone |
|--------------------------------|-------|-------|----------|
| Address (if different from #2) | City | State | Zip Code |

11. Has any principal, owner, officer, director, or employee of applicant ever been convicted of a crime?

YES NO If YES, explain: _____

12. Is any principal, owner, officer, director, or employee of applicant interested in or connected with any other license under Chapter 56? YES NO If YES, explain: _____

13. Has any member of applicant's organization previously held a license under Minnesota Statutes, Chapters 53, 53A, and 56, or Minn. Stat. § 47.60? YES NO If YES, explain: _____

14. If the proposed loan activity includes making or purchasing Minnesota residential real estate loans, Minnesota Statute, Section 58.125 requires you to conduct criminal background checks on all employees and independent contractors who originate mortgage loans for your firm. Provide evidence indicating criminal background checks will be obtained for all existing and future employees or independent contractors. _____

15. Is the business for which this application is being submitted now in existence? YES NO

| Date Business Established | Name Under Which Established |
|---------------------------|------------------------------|
|---------------------------|------------------------------|

16. Do you now operate or have you previously operated a consumer finance business in any other state?

YES NO If YES, explain: _____

Licensee: _____ Address: _____

17. Will any other business be conducted in addition to that specifically authorized by the Act?

YES NO If YES, explain nature of business: _____

18. Does the company have employees in the State of Minnesota? YES NO

If **YES**, provide proof of workers' compensation insurance (required in Minn. Stat. § 176.182). Documentation must show amounts of coverage, dates of coverage (not expired), and show the licensed company's name and address as being insured.

If **NO**, please explain, on a separate sheet, how operations will be transacted.

Failure to provide satisfactory evidence of insurance or proper exemption will result in withholding of approval.

Licensee: _____ Address: _____

19. Detail the type of business to be conducted (a narrative explanation may be required):

A.

- Principal types of loans to be made.

- _____
Predominant types of security to be taken.

- _____
Minimum size of loan anticipated.

- _____
Average size of loan anticipated.

- _____
Refinancing Policy.

- _____
Rates of charge:

B. By checkmark, identify the Minnesota statutes, or sections thereof, under which proposed loans will be granted and contracts purchased.

| | | |
|---------------------------|-------------------------|--------------------------|
| Chapter 56/47.59 | Real Estate | <input type="checkbox"/> |
| | Non-Real Estate | <input type="checkbox"/> |
| Section 47.60 | Consumer Small Loans | <input type="checkbox"/> |
| Sections 53C.01 to 53C.14 | Motor Vehicle Contracts | <input type="checkbox"/> |
| Other (Specify) | | <input type="checkbox"/> |

Note: New applicants are to provide copies of loan or contract legal documents for each proposed type of loan.

20. If the proposed loan activity involves making or purchasing Minnesota residential real estate loans, the Applicant must also be licensed under Minnesota Statute, Chapter 58, the "Minnesota Residential Mortgage Originator and Servicer Licensing Act". The required license would be a Residential Mortgage Originator Certificate of Exemption under Minnesota Statute, Section 58.04. That application is available at www.commerce.state.mn.us and must be submitted following approval of this application.

Enclosures to accompany application:

- Fees. Make all checks payable to "**Minnesota Department of Commerce**"
 - \$500 check for investigation fee.
 - \$250 check for annual license fee.
 - \$750 total.
- Biographical Statement(s) – For individuals listed in questions 7, 8 & 9.
- Declaration page of the workers' compensation policy or other evidence of current coverage.
- Evidence of \$50,000 in liquid assets by recent financial statement.
- Provide loan and contract forms to be used.
- Provide a copy of the Certificate of Authority to transact business in Minnesota under the proposed name.
- If applicant is a partnership, attach a partnership agreement.
- If residential real estate loans are proposed, submit a Minnesota Certificate of Exemption application.
- If residential real estate loans are proposed, indicate that criminal background checks have been completed on employees.

Licensee: _____ Address: _____

AFFIDAVIT OF OFFICIAL SIGNING APPLICATION

I hereby certify that all the information contained in this application and any accompanying documents are true and correct to the best of my knowledge. I certify that this document has not been altered or changed in any manner from the form adopted by the Department of Commerce.

STATE OF _____)
COUNTY OF _____) ss.

I, _____, of the
Name and Title of Official

_____,
organized in the State
(Name of Corporation, Partnership, Sole Proprietorship, LLP, or LLC)

of _____, do hereby declare that I am duly authorized to file the foregoing application and that the statements and representations set forth therein are true to the best of my knowledge and belief.

Signature of Official

Subscribed and sworn to before me, a Notary Public, this _____ day of _____, _____.

NOTARY SEAL

Notary Public Signature

State of _____

County of _____

My commission expires _____

Licensee: _____

Address: _____

TENNESSEN WARNING

(a) Purpose and Intended Use of the Data

The data you give us about yourself is needed to:

- Identify you;
- Enable us to contact you when required;
- Assist us in determining your qualifications and eligibility for the license you are applying for;
- Comply with certain federal and state reporting requirements; and
- Evaluate the administration and management of this licensing/registration program.

(b) Disclosure: Mandatory or Voluntary?

You are legally required to supply all of the data required on the application pursuant to Minnesota Statutes, section 332B.04, subdivision 1. In particular, you must provide your Minnesota business identification number pursuant to Minnesota Statutes, section 270C.72, subdivision 4.

(c) Consequences of Supplying or Refusing to Supply Requested Data

If you supply all of the requested data, your application will be processed. If you refuse to supply data requested on the application, your application will not be processed. Whatever information you do supply to the Department will be maintained by us, whether or not the application is approved.

(d) Others Authorized to Receive the Data

The information about you that is collected on the application will be classified as either public or private data. Public data will be accessible to the public. Private data about you will be accessible only to:

- You;
- State personnel who determine your eligibility for licensure;
- Employees of license database vendors;
- The Minnesota Department of Revenue (Minnesota Statutes, section 270C.72, subd. 4);
- The public authority responsible for child support in Minnesota (Minnesota Statutes, section 256.978);
- Any appropriate person(s) or agency, if the Commissioner of Commerce determines that failure to make the data accessible is likely to create a clear and present danger to public health or safety;
- Person(s) authorized by a court order; or
- Any other person authorized by state or federal law.

STATE OF MINNESOTA
DEPARTMENT OF COMMERCE
DIVISION OF FINANCIAL INSTITUTIONS

STATE OF MINNESOTA
ANNUAL REPORT OF CONSUMER FINANCE COMPANIES
REGULATED LOAN COMPANY
TO THE COMMISSIONER OF COMMERCE
AS OF DECEMBER 31,

NOTE: List only Minnesota activity on the following pages:

Licensee: _____

Address: _____

Check One:
Consolidated
Individual

STATEMENT OF ASSETS, LIABILITIES AND CAPITAL
For the year ended December 31,

Total (\$000)

| | | |
|--|----|--|
| ASSETS | | |
| Cash & Investments | 1a | |
| Finance Receivables (net) | 1b | |
| Property and Equip. (net) | 1c | |
| Other Assets | 1d | |
| Total Assets | 1e | |
| LIABILITIES | | |
| Borrowing | 1f | |
| Other Liabilities | 1g | |
| Total Liabilities | 1h | |
| STOCKHOLDERS EQUITY: | | |
| Common Stock | 1i | |
| Preferred Stock | 1j | |
| Surplus | 1k | |
| Undivided Profits | 1l | |
| Total Stockholders Equity | 1m | |
| Total Liabilities and Stockholders Equity | 1n | |

Licensee: _____

Address: _____

STATEMENT OF INCOME AND EXPENSES
For the year ended December 31,

Total (\$000)

| | | |
|---|----|--|
| Income: | | |
| Interest and Fees | 2a | |
| Insurance Income | 2b | |
| Other Income | 2c | |
| Total Income | 2d | |
| Operating Expenses: | | |
| Interest Paid | 2e | |
| Provision for Loan Losses | 2f | |
| Compensation and Employee Benefits | 2g | |
| Other Expenses | 2h | |
| Total Operating Expenses | 2i | |
| Net Income from Operation | 2j | |
| Other Revenue and Gain | 2k | |
| Other Expenses and Losses | 2l | |
| Income Taxes | 2m | |
| Dividend Paid to Shareholders | 2n | |
| Prior Years Adjustments | 2o | |
| Total Net Income During the Year | 2p | |

SUMMARY OF ALLOWANCE FOR LOAN LOSSES
For the year ended December 31,

Total (\$000)

| | | |
|---|----|--|
| Beginning Balance | 2q | |
| Less: Charged Off | 2r | |
| Add: Additional Provision for Loan Losses | 2s | |
| Recoveries | 2t | |
| Total Allowance for Loan Losses | 2u | |

Licensee: _____

Address: _____

**SCHEDULE I
SUMMARY OF FINANCE RECEIVABLES (NET)
For the year ended December 31,**

| Statutory Authority | Total (\$000) |
|----------------------------------|---------------|
| Section 47.59 Real Estate Loans | 3a |
| Pay Day Loans | 3b |
| All Other Loans | 3c |
| Section 47.60 Pay Day Loans | 3d |
| Sales Contracts Section 47.59 | 3e |
| Sections 53C.01 to 53C.14 | 3f |
| Other (Specify) | 3g |
| Total Finance Receivables | 3h |

**SCHEDULE II
DISTRIBUTION OF MINNESOTA LOANS MADE AND/OR MINNESOTA
CONTRACTS PURCHASED DURING THE YEAR BY STATUTE AUTHORITY
For the year ended December 31,**

| | Number | Total (\$000) |
|---------------------------------|-----------|---------------|
| Section 47.59 Real Estate Loans | 3i | 3p |
| Pay Day Loans | 3j | 3q |
| All Other Loans | 3k | 3r |
| Section 47.60 Pay Day Loans | 3l | 3s |
| Sales Contracts Section 47.59 | 3m | 3t |
| Sections 53C.01 to 53C.14 | 3n | 3u |
| Total | 3o | 3v |

Licensee: _____

Address: _____

**SCHEDULE III
INSURANCE PREMIUMS
ON MINNESOTA LOANS MADE DURING THE YEAR
For the year ended December 31,**

| Type of Insurance | Number Sold | | Total (\$000) |
|---------------------------------|-------------|--|---------------|
| Credit Life: Single | 4a | | 4i |
| Joint | 4b | | 4j |
| Credit Disability: Single | 4c | | 4k |
| Joint | 4d | | 4l |
| Credit Involuntary Unemployment | 4e | | 4m |
| Household Goods | 4f | | 4n |
| Others | 4g | | 4o |
| Total | 4h | | 4p |

**SCHEDULE IV
SUMMARY OF OTHER INFORMATION ON MINNESOTA ACCOUNTS
For the year ended December 31,**

| | Number | | Total (\$000) |
|-------------------------|--------|---------|---------------|
| Judgements | 5a | | xxxxxxxxxx |
| Foreclosures | 5b | | 5g |
| Bankruptcy | | xxxxxxx | xxxxxxxxxx |
| Chapter 7 | 5c | | 5h |
| Chapter 13 | 5d | | 5i |
| Repossessions: | | xxxxxxx | xxxxxxxxxx |
| Uniform Commercial Code | 5e | | xxxxxxxxxx |
| Election of Remedies | 5f | | 5j |

Licensee: _____ Address: _____

Loans meeting all of the following criteria are “consumer short-term” as defined under Section 47.601.

- Loan principal amount, or credit advance, of **\$1,000 or less**.
- Loans requiring a minimum payment of more than **25%** (of the principal balance or credit advance) within **60 days** (of loan origination or credit advance).
- **Unsecured** loans only. Do **not include** loans secured by physical goods.

6. Does your company make “consumer short-term loans”? Yes No
If you answered yes, Schedule V below must be completed. If you answered no, do not complete Schedule V.

SCHEDULE V

MINNESOTA CONSUMER SHORT-TERM LOANS FOR PERIOD ENDED DECEMBER 31,

6a. Total dollar amount (in thousands), over and above principal, collected on consumer short-term loans _____.

6b. Average annual percentage rate for consumer short-term loans _____.

6c. Range of annual percentage rates for consumer short-term loans _____ to _____.

6d. Number of individual borrowers who obtained one or more consumer short-term loans _____.

Breakdown of the number of individual borrowers (identified in 6d) by the number of individual borrowers who obtained:

6e. 5 or more loans * _____

6f. 10 or more loans * _____

6g. 15 or more loans * _____

6h. 20 or more loans * _____

6i. Total number of consumer short-term loans charged or written off _____.

6j. Total dollar amount (in thousands) of consumer short-term loans charged or written off _____.

* NOTE: A borrower receiving a number of consumer short-term loans would be included on each applicable line above (6e through 6h). For instance, an individual borrower obtaining **16** loans during the period would be included in the totals on lines 6e, 6f and 6g (not on line 6h for 20 or more loans received).

Licensee: _____ Address: _____

This affidavit must be executed, if a corporation, by a duly authorized officer of such corporation, or by a partner, if a partnership, or by owner, if an individual.

AFFIDAVIT

State of _____

County of _____

I, _____ of the _____
swear (or affirm) that to the best of my knowledge and belief, the figures contained in this report, (6 pages) including the accompanying balance sheet and profit and loss statement are true and that the same is true and complete statement in accordance with the law.

Signed _____

Subscribed and sworn to before me, a Notary Public, this _____ day of _____,
_____.

Notary Public Signature

NOTARY SEAL

State of _____

County of _____

My Commission Expires _____

Licensee: _____ Address: _____

Contact Persons for the following: (Include title, address, phone & fax number (800) if avail, and E-mail address).

Annual Report

Complaints

Billings (Examination and Assessment)

Recipient of Examination Report

Notice of Change of Management

License Renewal

BIOGRAPHICAL STATEMENT
THIS FORM MUST BE USED

INSTRUCTIONS:

Complete all items, submit in duplicate and sign all copies. If more space is needed, attach an additional sheet and identify the item by number.

Name and location of proposed loan company

1. Full Name

2. Other names you have used or are now using: (If none, so state.)

3. General Information:

Date of Birth

Place of Birth

4.

Business Address

Phone

Residence Address

Phone

5. List previous residences during the past ten years:

Address

Phone

6. Education:

a. High School

Name

Address

Years Attended

Name

Address

Years Attended

b. Colleges or other schools: (Describe in detail giving name, address, years attended, field of study, and degree received.)

7. Military service:
- a. Set forth in reverse chronological order, all present and past United States military service, whether active or reserve service. (Include branch of service, years served and grade or rank).
 - b. Set forth in reverse chronological order, complete information regarding all discharges from United States military service, other than honorable discharges.
8. Present occupation or business activities: (Describe in detail, giving name, address and type of business.)
9. Past occupations and business activities: (Describe in detail.)

a. Have you ever been discharged from employment for reasons other than lack of work?
 YES NO If answer is YES, explain fully.

b. Have you ever been required by a former employer to tender your resignation?
 YES NO If answer is YES, explain fully.

10. List all interests and the extent thereof now held by you or held by you within the past five (5) years in the following:

a. Financial institutions:

(1) Any state chartered bank:

(2) Any other financial institutions:

b. Business allied to real estate sales and development:

c. Building construction business:

d. Insurance:

e. Business allied to installment lending activities:

11. Have you ever been affiliated with a financial institution, either proposed or in existence, foreign or domestic, federal or state, which had its license or charter suspended or revoked in this state or any other?

YES NO If the answer is YES, explain in detail.

12. Have you ever been convicted of a crime relating to financial matters? YES NO If the answer is YES, give full history of charge, the year, place and final disposition:

| | | | |
|--------|--|------------------------------|-----------------------------|
| 13. a. | Have you ever filed a voluntary petition in bankruptcy? | <input type="checkbox"/> YES | <input type="checkbox"/> NO |
| | Have you ever had an involuntary petition in bankruptcy filed against you? | <input type="checkbox"/> YES | <input type="checkbox"/> NO |
| | Have you ever been involved in a forced liquidation? | <input type="checkbox"/> YES | <input type="checkbox"/> NO |
| | Have you ever been involved in an equitable receivership? | <input type="checkbox"/> YES | <input type="checkbox"/> NO |
| | Have you ever been involved in any proceeding similar to those above? | <input type="checkbox"/> YES | <input type="checkbox"/> NO |

b. If the answer to any of the foregoing is YES, give full details including date, place, name of business and final disposition:

14. Describe any pending civil litigation of any nature in which you are involved as plaintiff or defendant: (State nature of case and court in which pending.)

15. Are you now serving or have you ever served in the following capacities? If YES, give full detail, including circumstances and dates services commenced and terminated: (If voluntary resignation, so state.)

- a. Trustee: _____
- b. Guardian: _____
- c. Executor: _____
- d. Administrator: _____
- e. Similar fiduciary capacity: _____

16. Provide two (2) credit references:

| <u>Name</u> | <u>Address</u> |
|----------------|----------------|
| a. Bank: _____ | _____ |
| b. _____ | _____ |

17. Give names and address of three (3) individual character references:

| <u>Name</u> | <u>Address</u> |
|-------------|----------------|
| a. _____ | _____ |
| b. _____ | _____ |
| c. _____ | _____ |

18. Describe characteristics and qualities you possess that demonstrate you can operate a loan company license in compliance with state and federal law. This may include some outside assistance in the early stages to become fully qualified in this area.

If possible include a report of a credit-reporting agency such as Dun & Bradstreet.

