



DISTRICT OF COLUMBIA
DEPARTMENT OF INSURANCE, SECURITIES AND BANKING
BANKING BUREAU

Telephone: (202) 727-8000 Fax: (202) 535-1197 Email: BankingBureau@DC.gov Internet: <http://www.disb.dc.gov/>

INITIAL NON-DEPOSITORY LICENSE – INSTRUCTIONS AND INFORMATION

This document is an integral part of the initial license application process and contains important **instructions and requirements** for all applicants. Applicants should read this document in its entirety before attempting to complete the application. Do NOT return the instructions with the completed application.

It is the Applicant's responsibility to read and become familiar with applicable license laws and regulations before completing the application. Applicants may do so by clicking [here](#). The Department of Insurance, Securities and Banking (DISB) expects licensees to meet high ethical and performance standards beginning with the license application process.

The DISB will review application packages for completeness upon receipt and reserves the right to request supplemental information for any portion of the application. We look forward to providing you with expedient and professional service; therefore, complete, accurate, and verifiable responses should be provided at the outset of the application process. Applications should be submitted well in advance of the date you intend to commence business.

ATTENTION: No person or entity shall engage in the business of Check Cashing, Consumer Money Lending, Mortgage Broker/Lender, Money Transmitting, or Consumer Sales Financing in the District of Columbia, without obtaining the appropriate license issued by this Department.

IMPORTANT: TO MAXIMIZE OUR OVERALL EFFICIENCY IN PROCESSING INITIAL LICENSE APPLICATIONS, **INCOMPLETE, ILLEGIBLE, WHITED-OUT OR FAXED APPLICATIONS WILL NOT BE ACCEPTED FOR PROCESSING. THE APPLICATION WILL BE RETURNED TO THE APPLICANT TO BE COMPLETED AND RE-SUBMITTED.**

MAILING INSTRUCTIONS: ALL application information that is accompanied by a payment **MUST** be submitted by **REGULAR MAIL** to:

DISB – Banking Bureau
PO Box 96378
Washington, D.C. 20090-6378

Application information and other correspondence that does **NOT** include a payment may be sent by regular mail or via express mail service, or submitted in person to our office located at:

Department of Insurance, Securities and Banking
Banking Bureau
810 First Street, NE, Suite #701
Washington, D.C. 20002

IMPORTANT: Please note that any payments sent to the First Street address will be forwarded directly to our lock-box facility and will delay the processing of your payment and application.

Should you have any questions please email us at BankingBureau@DC.gov. Or you may contact us by calling **202-727-8000** between the hours of 8:15 a.m. and 4:45 p.m. EST Monday through Friday.

NOTE: All documents filed, with the exception of personal financial reports and biographical information forms, become part of the public record unless the applicant makes a written request for confidential treatment of a particular document or information. Final determination as to the confidentiality of such information rests with the Commissioner of the Department of Insurance, Securities and Banking.

Department of Insurance, Securities and Banking
INITIAL LICENSE – INSTRUCTIONS AND INFORMATION

PREPARING THE APPLICATION PACKAGE - IMPORTANT!

Read and respond to all applicable questions or requests on the Initial License Application and the Instructions document. ALL Applicants must complete, review, sign, and enclose the “Initial License Application - Checklist” as a cover sheet with the application package. The Checklist document will clearly indicate the order in which the application and supporting materials should be submitted.

NOTICE: The [Initial License Application](#) and all related forms are available on our website in an interactive format and **CAN** be **COMPLETED** online but **CANNOT** be submitted electronically at this time. You **MUST** print out the completed form and submit it with all other required documentation listed in the application and the instructions document.

SURETY BOND REQUIREMENTS: ALL applicants **MUST** secure the required bond from a surety company **licensed to do business in the District of Columbia**. The bond should run concurrent with the license period, list each office to be covered, and include an effective and expiration date. A sample bond form is available by clicking [here](#).

IMPORTANT: IF THE NAMES AND ADDRESSES OF ALL OFFICES TO BE COVERED ARE NOT LISTED ON THE REQUIRED SURETY BOND OR THE EFFECTIVE AND EXPIRATION DATES DO NOT COVER THE LICENSE PERIOD, THE BOND WILL BE CONSIDERED INCOMPLETE. Please review the information below each license category to determine bond expiration dates.

-Mortgage Broker/Lender: This chart must be used to determine the amount of the bond for each office location. The amount is determined based on activity in the District for the three (3) calendar years preceding the year in which the initial application is being filed. Subject to approval by the Commissioner, an applicant may submit a blanket surety bond in the amount of \$200,000 to cover four (4) or more offices if all completed applications are filed at the same time; each office location to be covered must be listed on the bond. The Commissioner may use discretion and ask licensees to increase the amount of a bond based on the volume of activity, at any given time.

<input type="checkbox"/> Total volume of loans was \$1,000,000 or less - the required bond amount is	\$12,500
<input type="checkbox"/> Total volume was more than \$1,000,000 but not more than \$2,000,000 - the required bond amount is	\$17,500
<input type="checkbox"/> Total volume was more than \$2,000,000 but not more than \$3,000,000 - the required bond amount is	\$25,000
<input type="checkbox"/> Total volume was more than \$3,000,000 the required bond amount is	\$50,000

Please review the following information carefully to determine the appropriate bond expiration date.

Applications received:

January 1 through March 31 - Bond expiration date should be March 31 of the following year.

April 1 through June 30 - Bond expiration date should be June 30 of the following year.

July 1 through September 30 - Bond expiration date should be September 30 of the following year.

October 1 through December 31 - Bond expiration date should be December 31 of the following year.

- Check Cashier

Check Cashiers are required to obtain and maintain a **\$5,000** surety bond for each location, mobile unit, and limited station (See *Section 7 of the Check Cashier Act*.) Check Cashier licenses expire December 31 annually. Applications received more than 90 days prior to the year-end license expiration date must have a bond expiration date of December 31 of the current year. Applications received within 90 days of the year-end license expiration date must have a bond expiration date of December 31 of the next year.

- Money Transmitter

Money Transmitters are required to obtain and maintain a surety bond or irrevocable Letter of Credit, or other similar security device in the amount of **\$50,000**. If the applicant proposes to engage in business at more than one location, through authorized delegates or otherwise, the amount of the security device will be increased by **\$10,000 per location**. The maximum amount of the security device for all locations shall not exceed **\$250,000**. (See *Section 8 of the Money Transmitters Act*.) Money Transmitter licenses expire December 31 annually. Applications received more than 90 days prior to the year-end license expiration date must have a bond expiration date of December 31 of the current year. Applications received within 90 days of the year-end license expiration date must have a bond expiration date of December 31 of the next year.

Department of Insurance, Securities and Banking
INITIAL LICENSE – INSTRUCTIONS AND INFORMATION

- Money Lender

Money Lenders are required to obtain and maintain a surety bond in the amount of **\$5,000**. Money Lender licenses expire October 31 annually. Applications received more than 90 days prior to the October 31 license expiration date must have a bond expiration date of October of the current year. Applications received within 90 days of the October 31 license expiration date must have a bond expiration date of October 31 of the next year.

- Consumer Sales Finance

Consumer Sales Finance licensees are required to obtain and maintain a surety bond in the amount of **\$25,000**. Consumer Sales Finance licenses expire October 31 every two years. Applications received more than 90 days prior to the October 31 license expiration date must have a bond expiration date of October 31 of the following year. Applications received within 90 days of the October 31 license expiration date must have a bond expiration date of October 31 two years later than the current year.

CERTIFIED RESIDENT AGENT REQUIREMENT: A non-resident of the District of Columbia who wishes to transact business in the District shall appoint a resident agent or an attorney-in-fact who resides or maintains an office in the District of Columbia, upon whom, all fiduciary and other process or legal notice directed to the applicant may be served. Resident Agent information **MUST** be entered on the initial license application. *Sect - 2 item#4.*
 A certified resident agent must be continuously maintained as long as the license remains in effect.

BANK SECRECY ACT REQUIREMENT- FOR MONEY TRANSMITTER AND CHECK CASHIER APPLICANTS:
 The *Bank Secrecy Act* (BSA) requires certain money-services businesses (MSBs) to register with the Financial Crimes Enforcement Network (FinCEN) of the U.S. Department of the Treasury and to prepare and maintain lists of agents. For complete and updated information on federal rules related to money-services businesses, visit the Web site www.msb.gov or call (800) 800-2877, toll free. Please provide your FinCEN registration number in the appropriate space on the application.

ADDITIONAL OFFICE LICENSE APPLICATIONS - FOR MORTGAGE LENDER/BROKER APPLICANTS (ONLY): If the applicant is requesting a license(s) for an additional office(s) or branch office(s) with the initial license application, the [Additional Office Application](#) must be completed as needed and submitted with the initial application. The name and address of each additional office location submitted **must** be listed on the applicable bond at the time of submission.

SUPPLEMENTAL INFORMATION SECTION

ALL applicants MUST respond to Section 1 and all other applicable sections. We recommend that applicants carefully review the requirements listed below. It is suggested that you use the check off boxes conveniently located in the left column of this section to ensure that each question is reviewed and addressed, if applicable.

SECTION 1 - ALL APPLICANTS PROVIDE THE INFORMATION REQUESTED IN THIS SECTION

<input type="checkbox"/>	<p>Organizational Documents: Applicant must provide a copy of organizational documents based on entity structure: by-laws; articles of incorporation/organization; partnership agreement; certificate of limited partnership; articles of association, or operating agreement. <i>(Include certified copies of any amendments.)</i></p>
<input type="checkbox"/>	<p>Certificate of Good Standing: Each Corporation, Limited Liability Company, Limited Partnership or Limited Liability Partnership doing business in the District of Columbia is required to provide a Certificate of Good Standing from the District of Columbia Department of Consumer and Regulatory Affairs Corporations Division dated <u>within 90 days of the application's submission</u>. For additional information, Applicants may contact the District of Columbia Department of Consumer and Regulatory Affairs Corporations Division at (202) 442-4400, or by clicking here.</p>
<input type="checkbox"/>	<p>Entity Ownership: Provide the following information: List the full name, title, business address and phone number, and residential address and phone number, and percentage of equity ownership for the president, senior vice president, secretary, treasurer, and directors. Also provide this information for any other person(s) owning or controlling 10% or more of the equity ownership of the organization. Note: <u>List ownership as a percentage.</u></p>

Department of Insurance, Securities and Banking
INITIAL LICENSE – INSTRUCTIONS AND INFORMATION

<input type="checkbox"/>	<p>Release of Personal Information Form: Each of the following needs to complete a Release of Personal Information form - president, senior vice president, secretary, treasurer, and directors, and other persons owning or controlling 10% or more of the equity ownership of the organization. This form authorizes DISB to collect additional personal information from other sources.</p>
<input type="checkbox"/>	<p>Business Plan: Provide a business plan dated not more than 180 days prior to the application date. Indicate all business activities to be conducted by the applicant including those not covered by the relevant Act. Include projected financial statements for at least the next 12 months (include major assumptions used in making these projections); internal organizational structure; internet based activity; policies and procedures to address consumer grievances on a timely basis; staffing; banking arrangements and other pertinent operational information.</p>
<input type="checkbox"/>	<p>Company Credit Report: Provide a copy of a current business credit report – <u>within the last 6 months</u>. Indicate if none is available from any of the major credit reporting agencies.</p>
<input type="checkbox"/>	<p>Financial Statements of the Business: If the applicant is an operating entity, provide a copy of the most recent audited financial statements. Statements should be prepared in accordance with Generally Accepted Accounting Principles (GAAP) and should be dated within the last 12 months. Submit statements for the prior 2 years, if available. (<i>Audited financials should include balance sheet, income statement, and statement of changes in shareholder equity.</i>) If the applicant is a wholly-owned subsidiary of another corporation (<u>parent company exists</u>), the applicant may submit either the parent's audited consolidated financial statements for the current year and prior two years, or the parent's Form 10K reports filed with the Securities and Exchange Commission for the prior three (3) years in lieu of the financial statements. <u>Note:</u> <i>Financial statements of foreign owned applicants must be presented both in the applicable foreign currency and United States dollars, and the date and basis of conversion must be stated.</i></p>
<input type="checkbox"/>	<p>Personal Financial Report and Biographical Information Form: Complete this form for each of the following - president, senior vice president, secretary, treasurer, and directors, as well as, any other person(s) owning or controlling 10% or more of the equity ownership of the organization. <u>Note:</u> The Personal Financial Report and Biographical Information Form must be less than 90 days old at the time of filing and must be dated and signed. If assets or liabilities are held jointly with a spouse, both husband and wife must sign the financial report and include assets and liabilities of both. Also, if a substantial portion of an individual's net worth is an incorporated business, proprietorship, or partnership, a separate financial report of such business should be attached, and the equity interest in such a business should also appear in "Schedule C – Other Assets".</p>

SECTION 2 - MORTGAGE LENDER/BROKER APPLICANTS PROVIDE THE INFORMATION REQUESTED IN THIS SECTION

<input type="checkbox"/>	<p>Statement from a Depository Institution:</p> <ul style="list-style-type: none"> • Mortgage Lender applicants - provide a statement from a depository institution verifying that the applicant has at least \$200,000 on deposit or in an established line of credit for operation of the business, or some combination of both. • Mortgage Broker applicants - provide a statement from a depository institution verifying that the applicant has at least \$10,000 on deposit or in an established line of credit for operation of the business, or some combination of both. • Mortgage Lender and Broker (Dual Authority) applicants - provide a statement from a depository institution verifying that the applicant has at least \$210,000 on deposit or in an established line of credit for operation of the business, or some combination of both. <p><u>Note:</u> Neither letters of credit nor lines of credit from sources other than a bank or other depository institution will satisfy this requirement. (See Section 4 (b)(3) of the Mortgage Lender and/or Broker Act of 1996.)</p>
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SECTION 3 – CHECK CASHER APPLICANTS PROVIDE THE INFORMATION REQUESTED IN THIS SECTION

<input type="checkbox"/>	<p>Statement from a Depository Institution: Provide a statement from a depository institution that the applicant has at least \$25,000 per location on deposit or an established line of credit for operation of the business, or some combination of both. <u>Neither letters of credit nor lines of credit from sources other than a bank or other depository institution will satisfy this requirement.</u> A copy of the line of credit agreement, commitment letter and promissory notes should be submitted, if applicable. (Section 8 of the Check Cashers Act)</p>
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Department of Insurance, Securities and Banking
INITIAL LICENSE – INSTRUCTIONS AND INFORMATION

<input type="checkbox"/>	<p>Schedule of Fees and Charges: Provide a copy of the business <u>Schedule of Fee Charges</u>, in both English and Spanish. (The Schedule must be conspicuously posted in every location pursuant to Section 18(a) of the Check Cashers Act. Fees must conform to the limitations established in Section 18 of the Act.)</p>
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SECTION 4 - MONEY TRANSMITTER APPLICANTS PROVIDE THE INFORMATION REQUESTED IN THIS SECTION

<input type="checkbox"/>	<p>Net Worth: Provide documentation (Financial Statement) evidencing a net worth of <u>not less than \$100,000</u>, based on generally accepted accounting principles. Licensees engaging in money transmission at more than one location or through authorized delegates shall require an additional net worth of \$50,000 per authorized delegate. The maximum net worth required shall not exceed \$500,000. Section 5 (a) of the Money Transmitters Act.</p>
<input type="checkbox"/>	<p>Tax Registration Certificate: This certificate is available from the Office of Tax and Revenue. For additional information, please call (202) 727-4829 or visit the DC Tax Center at 941 North Capitol Street, N.E. on the 1st floor.</p>
<input type="checkbox"/>	<p>Material Litigation: Provide information pertaining to any material litigation or criminal convictions for the applicant, president, senior vice president, secretary, treasurer, and directors, and other persons owning or controlling 10% or more of the equity ownership of the organization, during the 5-year period prior to the application date. (<i>Material litigation -- according to Generally Accepted Accounting Principles, is deemed significant to a licensee's financial condition thus requiring disclosure in its audited financial statements, reports to shareholders or similar documents.</i>) Section 7 D (3) of the Money Transmitters Act.</p>
<input type="checkbox"/>	<p>Proposed Authorized Delegate(s) and locations: Provide the complete name and address of each <u>proposed authorized delegate</u> and each <u>location</u> in the District of Columbia from which Applicant proposes to conduct money transmission sales. Sect 7 B (5&8) of the Money Transmitters Act.</p>
<input type="checkbox"/>	<p>Authorized Delegate Contract: Provide a sample <u>Authorized Delegate Contract</u>. Section 7 B (6) of the Money Transmitters Act.</p>
<input type="checkbox"/>	<p>Payment Instrument(s): Provide a sample of all payment/transmittal instruments to be use in the proposed business. Section 7 B (7) of the Money Transmitters Act.</p>
<input type="checkbox"/>	<p>History of Operations & Description of Activities: Provide a history of operations and description of the business activities in which the applicant has engaged since its formation.</p>
<input type="checkbox"/>	<p>Name and Address of the clearing bank or banks: Provide the name and address of the clearing bank or banks on which the Applicant's payment instruments will be drawn or through which such payment instruments will be payable. Include the name and telephone number of the bank contact in charge of your clearing/paying account. Section 7 B (9) of the Money Transmitters Act.</p>
<input type="checkbox"/>	<p>Filings with Securities Regulators: Provide a copy of all filings submitted to the U.S. Securities and Exchange Commission, or a similar regulator outside the U.S., within the year preceding the date of this application. Section 7 C (8) of the Money Transmitters Act.</p>

SECTION 5 – CONSUMER MONEY LENDER APPLICANTS PROVIDE THE INFORMATION REQUESTED IN THIS SECTION.

<input type="checkbox"/>	<p>Publication Requirement for Money Lenders: Each applicant must publish notice of its moneylender application <u>twice a week for three (3) consecutive weeks</u> in a local newspaper such as the Washington Post or Washington Times. Submit a copy of the published notice and the dates of publication. The public notice should read as follows:</p> <p>“Notice is hereby given that the following named company at the address listed herewith has made application to engage in the business of loaning money for the license year ending October 31, ____ as provided by the Act of Congress, approved February 14, 1913. Anyone desiring to protest against the issuance of this license should do so in writing to the Commissioner of the Department of Insurance, Securities and Banking, 810 First Street, NE, Suite 701, Washington, DC 20002, in the manner prescribed by said Act: See DC Code Title 26, Chapter 9 and 16 DCMR 2.”</p>
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Department of Insurance, Securities and Banking
INITIAL LICENSE – INSTRUCTIONS AND INFORMATION

<input type="checkbox"/>	Tax Registration Certificate: This certificate is available from the Office of Tax and Revenue. For additional information, please call (202) 727-4829 or visit the DC Tax Center at 941 North Capitol Street, N.E. on the 1 st floor.
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SECTION 6 - CONSUMER SALES FINANCE APPLICANTS PROVIDE THE INFORMATION REQUESTED IN THIS SECTION

<input type="checkbox"/>	Retail Installment Contracts: Provide two (2) sets of sample retail installment contracts. Each contract must contain the following statement: “Seller certifies that the information contained in the contract complies with the District of Columbia Municipal Regulations, Title 16, Chapter 1”.
<input type="checkbox"/>	Tax Registration Certificate: This certificate is available from the Office of Tax and Revenue. For additional information, please call (202) 727-4829 or visit the DC Tax Center at 941 North Capitol Street, N.E. on the 1 st floor.

MISCELLANEOUS:

- Prior versions of the application forms will **not** be accepted for processing after September 1, 2005.
- All documents submitted in a language other than English **must** be translated and certified by the translator to be true and correct.
- A decision will be made within sixty (60) calendar days from the date the application is deemed complete by the DISB.
- After your license is issued, you are responsible for notifying this Department of any material changes regarding the licensed business that would be necessary for this Department to provide effective oversight and supervision of the licensee. Such information would include changes to name, address, other contact information, ownership, business structure, registered agent, authorized delegates, office closure, termination of surety bond and other material information.

Should you have any questions please email us at BankingBureau@DC.gov. Or you may contact us by calling **202-727-8000** between the hours of 8:15 a.m. and 4:45 p.m. EST Monday through Friday.