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STATE OF COLORADO
DEPARTMENT OF LAW

RALPH L. CARR
COLORADO JUDICIAL CENTER
1300 Broadway, 6th Floor
Denver, Colorado 80203
Phone (720) 508-6010
Consumer Protection Section
Consumer Credit Unit

M E M O R A N D U M

TO: Supervised Lender Applicant

FROM: Colorado Uniform Consumer Credit Code (“UCCC”)
Phone: (720) 508-6010
Fax: (720) 508-6033
E-mail: uccc@coag.gov

RE: UCCC Supervised Lender Licensing Requirements

Supervised Loans

A Colorado supervised lender’s license is required to engage in the business of supervised loans. A supervised loan is a consumer loan with an annual percentage rate greater than 12% per year, or for an adjustable rate loan, has a maximum cap that could exceed 12% per year [UCCC § 5-1-301(47)]. Consumer loans include both secured and unsecured consumer loans; deferred deposit loans (also known as payday loans, post-dated check cashing, and/or deferred deposit lending); small installment loans; credit cards; consumer insurance premium financing; and the real estate secured loans described below. A license is needed if you regularly:

- make supervised loans,
- collect supervised loans the lender previously made,
- service, take assignment of, or purchase supervised loans and collect or enforce rights arising from them,¹ or
- engage in deferred deposit loans, offer these loans, or act as an agent for a third party making these loans (even if the loans are approved by a third party and that third party is exempt from licensing), in addition to the above activities.

Mortgage Loan Originator Licenses

Individuals who take a residential mortgage loan application or offer or negotiate terms of a residential mortgage loan must obtain a mortgage loan originator license from the Colorado Division of Real Estate at www.colorado.gov/pacific/dora/division-real-estate. This is separate from the supervised lender license required for mortgage companies making supervised loans, and may apply to a mortgage company’s employees.

¹ If the supervised loans you service, purchase, or take assignment of are in default when you obtain them, you may also need a collection agency license. Contact (720) 508-6020 for more information.

Compliance Exams

Licensed supervised lenders are subject to periodic unannounced compliance examinations. Reasonable working accommodations and access to all of the lender's books and records must be provided at that time. A lender must keep and maintain records to establish that it is complying with the UCCC. Records must be retained for 4 years after the last entry is made on the loan. Failure to maintain or produce records for compliance examinations may subject the lender to discipline including penalties of \$200 per day. Licensed supervised lenders must also file an annual statistical report and proof of financial responsibility each June 1, respond to consumer complaints, and pay license renewal fees each January 31.

Master and Branch Licenses

A separate license is needed for each location where the lender engages in supervised lending. Once one supervised lender's license has been issued (the master license), subsequent applications are for branch licenses. The master license may, but need not, be the headquarters location. The contact persons and addresses provided within the master license application will be used for all licensed locations. Contact this office for a branch license application or obtain it at www.coag.gov/uccc.

General Information

A supervised lender cannot regularly engage in supervised lending *until* it has obtained a supervised lender's license. A lender may only use the name(s) appearing on the supervised lender license. Your application should therefore include all legal and trade names used in the lending business. It may take 60 days to issue a new license after a completed application is received. Branch license locations may automatically operate for up to 120 days after a completed branch application is received until the application is approved or denied.

Failure to obtain a required supervised lender's license or comply with all regulatory requirements may result in legal or disciplinary action including license revocation, injunctions, civil penalties, and forfeiture of excess charges. In addition, the lender may be subject to criminal liability.

All consumer lenders must comply with the Colorado UCCC and the federal Truth in Lending Act and Regulation Z. Some of the regulatory provisions of the UCCC include disclosure of the cost of credit (annual percentage rate, amount financed, total of payments, etc.) and compliance with the provisions on default including right to cure, delinquency charges, deferral, refinancing, prohibitions on prepayment penalties, and record retention requirements. You are advised to contact an attorney to ensure you are in compliance with all legal requirements.

Copies of the Colorado UCCC and Rules may be obtained from our website at www.coag.gov/uccc.

Copies of the Truth in Lending Act and Regulation Z are available at www.ftc.gov.

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COLORADO SUPERVISED LENDER'S LICENSE APPLICATION
INSTRUCTIONS

File the enclosed application form and all attachments listed below for the initial Colorado supervised lender's license. Do not file incomplete applications. A supervised lender's license may only be issued if the applicant and its principals exhibit sufficient financial responsibility, character, and fitness to ensure that the applicant will operate fairly and honestly.

- A. **APPLICATION** – all applicants complete the supervised lender license application and the following, as applicable:
- B. **CORPORATIONS** – attach a copy of the Certificate of Authority or Good Standing from the Colorado Secretary of State, or application therefore containing the filing date and account number. Lenders licensing out-of-state offices may substitute similar certificates from the state in which the loan office is located. Contact the Colorado Secretary of State at (303) 894-2200, or view www.sos.state.co.us.
- C. **PARTNERSHIPS** – attach a copy of the Partnership Agreement. A limited partnership must also submit a copy of the recorded certificate filed with the Colorado Secretary of State as required by §7-61-103, C.R.S.
- D. **LIMITED LIABILITY COMPANIES** – attach a copy of the Certificate of Organization from the Colorado Secretary of State. Lenders licensing out-of-state offices may substitute similar certificates from the state in which the LLC is organized.
- E. **DBA, TRADE, OR ASSUMED NAMES** – applicants using trade names attach a copy of a properly filed trade name affidavit showing the trade/assumed name from the Colorado Secretary of State. Contact the Colorado Secretary of State at (303) 894-2200, or view www.sos.state.co.us. Lenders licensing out-of-state offices may substitute similar trade name approval from the state where the business is located.
- F. **FINANCIAL RESPONSIBILITY** – all applicants must provide a surety bond or other financial responsibility per license. The amount is adjusted each June 1 based on the total Colorado loan volume for the prior calendar year. The amounts required are:

Annual Colorado Loan Volume	Financial Responsibility Needed
\$0 to \$500,000	\$15,000
Over \$500,000 to \$1 million	\$20,000
Over \$1 million	\$25,000

To avoid annual adjustments, provide \$25,000 for each licensed location. There is a maximum cap of \$250,000 for all locations so lenders with multiple locations may wish to file proof of \$250,000 at the outset. Acceptable forms of financial responsibility are: (1) an original surety bond (form attached), (2) a cash assignment (form attached), or (3) a letter of credit. The letter of credit must be irrevocable with no conditions; issued by a state or national bank or savings and loan doing business in Colorado; state the dollar amount; name the UCCC Administrator as beneficiary in favor of the people of the State

- of Colorado; and shall remain in place for two years after the license is surrendered, revoked, or expires. See UCCC Rule 9(b) for additional information.
- G. **PERSONAL AFFIDAVITS** – all applicants attach a personal affidavit for each individual owner, member, partner, and primary corporate executive officer. One blank copy is enclosed. Make extra copies as needed.
- H. **BRANCH OFFICES** – additional offices or locations of the same lender require separate licenses. File a branch office application form for each of these locations. The branch application is available on our website at www.coag.gov/uccc. When a completed branch application is received, the branch is automatically licensed for up to 120 days while the application is reviewed for approval or denial. We may conduct compliance examinations on existing locations prior to approval of branch applications. Unresolved compliance examinations of existing locations may effect approval.
- I. **LICENSE VERIFICATIONS** – an applicant licensed by other state agencies must, for its initial license only, complete the top of the attached license verification form and mail it to all of these agencies. Attach copies of all verification forms you mailed to these states with your application so we may track receipt of these forms. Regulatory agencies should mail the completed form directly to the UCCC.
- J. **LICENSE FEES** – the initial/master license fee is \$850 payable to the Colorado Uniform Consumer Credit Code (this includes a \$100 surcharge for the Identity Theft and Financial Fraud Cash Fund required by section 24-33.5-1707(2)(b), C.R.S.). **Do not send any fees until you are notified that your application is complete.** License fee amounts are subject to change periodically due to state budget requirements. Licenses are subject to renewal each January 31. Licenses are *not* reissued each year; the original license is perpetual and is renewed by payment of the appropriate fee.
- K. **COMPLETION OF APPLICATION** - an application is not “complete” unless all items listed above have been filed (not including regulatory agency responses to license verification forms and license fee). If we advise you the application is incomplete, you will have 45 days to complete the application.
- L. **SOLE PROPRIETORS** – applicants that are sole proprietors/natural persons must complete an affidavit of citizenship/legal residency, available on our website at www.coag.gov/uccc as well as provide a copy of one of the approved types of verifiable identification. If you are unable to provide one of the verifiable forms of identification, a waiver may be requested through the Colorado Department of Revenue. Please visit www.colorado.gov/pacific/revenue/hb06s-1023 for more information.

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COLORADO SUPERVISED LENDER'S LICENSE APPLICATION

1. Legal name of applicant (corporation, LLC, partnership, or proprietor's name).

2. Trade or assumed name(s) used in supervised lending (if different from above)(see instruction #E).

3. Address of initial location to be licensed

(Street Address)

(City)

(State)

(Zip Code)

Telephone # _____ Fax # (if available) _____

800 # (if available) _____

Website address (if applicable) _____

4. Contact information – provide the name, mailing address, phone number and email address for each of the following categories:

General Mailings: _____

Compliance/Examination Reports: _____

Complaints: _____

5. Type(s) of activity you expect to engage in. Check all that apply:

Make (i.e. originate) Take assignment of or purchase for collection, servicing, or enforcement purposes

Check all applicable categories:

- Deferred deposit loans or payday loans
- Unsecured loans or loans secured by personal property and/or autos
- Mortgage loans
- Loans secured by mobile homes
- Insurance premium finance loans
- Credit cards
- Small installment loans of \$1,000 or less (per section 5-2-214, C.R.S.)
- Retail sales installment contracts (credit sales) or consumer leases
- Pawn transactions (contracts for purchase)
- Service loans originated by supervised financial organizations (banks)
(see section 5-1-301(45), C.R.S.)

6. CORPORATIONS or LIMITED LIABILITY COMPANIES (see Instructions #B & #D)

Incorporated or Organized in the State of _____

Date of Incorporation or Organization _____

Colorado Registered Agent for Service of Process (required)

Name _____

(Street) (City) CO (Zip Code)

PRIMARY OFFICERS or MEMBERS (add additional list if necessary)

President _____

Vice President _____

Secretary _____

Treasurer _____

7. Provide the names of the stockholders of the corporation or the members of the limited liability company and the percentage of each stockholder's or member's ownership interest. For corporations: If publicly traded, list all entities holding 10% or more of the stock: If privately held, the number of shares must equal 100% of the stock. (Attach additional pages if necessary)

Name % of Stock or Member Ownership

8. **PARTNERSHIPS** answer the following questions for each partner (see Instruction #C):

Date of formation _____

Place of formation _____

Type of partnership: General _____ Limited _____

PARTNERS, both General and Limited (add additional list if necessary)

NAME _____

NAME _____

NAME _____

9. **SOLE PROPRIETORSHIPS** (see Instruction #L)

Name of Individual Proprietor _____

ALL APPLICANTS ANSWER THE FOLLOWING QUESTIONS

10. Have any of the persons or organizations listed above been convicted of or entered a plea of guilty to theft, concealing stolen goods, forgery, fraud, offenses related to the Uniform Commercial Code or financial transaction devices, or any similar crime in any federal, state, or local jurisdiction?
Yes _____ No _____ If yes, describe details below.

11. Have any of the persons or organizations listed above been the subject of any administrative, disciplinary, or legal action by any federal, state, or local governmental entity, whether or not a final order or judgment was entered, including denial, revocation, or suspension of a license; fines or penalties; or any other adverse action? Yes _____ No _____ If yes, describe details below.

12. Are any of the persons or organizations listed above now subject to any pending administrative, disciplinary, or legal action by any federal, state, or local governmental entity concerning any business activity in which applicant is or has been engaged? Yes _____ No _____ If yes, describe details below.

13. List all state, federal, or local regulatory authorities which now or in the past, license or register any of the persons or organizations listed above as a lender, mortgage broker, deferred deposit lender, financial institution, or other professional licensed occupation. (attach additional sheets if necessary) (see Instruction #J).

Regulatory Agency Name _____

Regulatory Agency Address _____

Type of License/Registration and # (if applicable) _____

Date first licensed/registered _____

14. Has the applicant ever filed for bankruptcy or had a federal or state tax lien filed against it in the last ten years? Yes _____ No _____ If yes, describe details below.

Statements made herein are made under oath. False statements may be punishable as second degree perjury.

Print Name _____ Title _____

Signature _____ Date _____

Print Name _____ Title _____

Signature _____ Date _____

Corporations should affix corporate Seal and the signatures of the President or other authorized official of the corporation.

Partners must sign individually or in accordance with the Partnership Agreement.

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PERSONAL AFFIDAVIT

To be completed by each partner, individual owner, member, manager, or each primary corporate officer.
A separate form is to be filed by each person.

OMISSIONS MAY BE CONSTRUED AS INTENTIONAL FAILURE TO DISCLOSE A MATERIAL FACT AND MAY BE GROUNDS FOR REJECTION OF APPLICATION.

SUPERVISED LENDER'S NAME (corporate, LLC, partnership, or proprietor's name)

1. _____
Name and title of partner, owner, member, manager, or officer filing this affidavit.

The information requested in questions #2 and 3 is required by § 14-14-113 and 24-31-107, C.R.S. and may be used to revoke, suspend, or deny licenses as determined by the state child support enforcement agency for noncompliance with support orders or subpoenas/warrants relating to paternity and child support.

2. Home Address _____
(Street Address) (City) (State) (Zip Code)

3. Date of Birth _____ Social Security No. _____

4. Occupational Record. Furnish a complete record of employment and business associations for the last ten years, including all companies in which you have or had an interest as an officer, director, or voting stockholder. Account for all periods of time. Periods of unemployment should be indicated and dates given.

DATES (month, year)	EMPLOYER	POSITION	DUTIES (brief description)

5. Have you ever been directly or indirectly connected with any organization or business in Colorado or elsewhere, which had an application for license or registration for any business activity denied by any federal, state, or local governmental entity, or which withdrew such application to avoid a denial, or by request, or which had its license or registration suspended, canceled, revoked or subject to any other disciplinary action, whether or not a final order or judgment was entered? Yes _____ No _____ If yes, furnish details.

6. In the last 10 years, have you ever been, or has any organization or business with which you were associated as an officer, director, partner, owner, or otherwise, involved in any voluntary or involuntary bankruptcy, receivership, or insolvency proceedings? Yes _____ No _____ If yes, furnish details.

7. Have you ever been convicted of or entered a plea of guilty to theft, concealing stolen goods, forgery, fraud, offenses related to the Uniform Commercial Code or financial transaction devices, or any similar crime in any federal, state, or local jurisdiction? Yes _____ No _____ If yes, describe details below.

8. In the last ten years, have you entered a plea of guilty or nolo contendere to, or been convicted of, a felony or a misdemeanor other than a traffic violation and other than information listed in Question 7? Yes _____ No _____ If yes, furnish details.

9. Have you ever been held liable in any civil fraud action in any judicial or administrative proceeding by a federal, state, or local governmental entity? Yes _____ No _____ If yes, furnish details.

10. Is there now pending any criminal action by any federal, state, or local governmental entity charging you with having committed a felony or misdemeanor other than a traffic violation? Yes _____ No _____ If yes, furnish details.

11. Is there now pending before any judicial or administrative agency of a federal, state, or local governmental entity any proceeding charging you with violation of credit, broker, or lending laws; fraud; misrepresentation; or other deceptive practices? Yes _____ No _____ If yes, furnish details.

Statements made herein are made under oath. False statements may be punishable as second degree perjury.

Signature

Date

SURETY BOND - SUPERVISED LENDER

Colorado Uniform Consumer Credit Code
(§ § 5-2-302, 5-2-304, C.R.S. & UCCC Rule 9, 4 CCR 902-1)

KNOW ALL PERSONS by these presents that _____
(applicant-licensee name)

of _____
(principal address of applicant-licensee)

as principal (hereinafter "licensee") for the following location(s) _____

_____ and
_____ (hereinafter "surety"), a surety duly licensed by the
Commissioner of Insurance of the State of Colorado, as surety, of _____

_____ (surety's address)

are held and firmly bound unto the Attorney General of the State of Colorado acting through the ADMINISTRATOR OF THE UNIFORM CONSUMER CREDIT CODE for use of the PEOPLE OF THE STATE OF COLORADO as obligee (hereinafter "UCCC Administrator") in the sum of _____ thousand dollars (\$_____) lawful money of the United States for the payment of which, well and truly to be made, we bind ourselves, our heirs, executors, administrators, successors and assigns jointly, severally, and firmly by these presents.

WHEREAS, licensee is applying to become or is a licensed supervised lender pursuant to § 5-2-302 and 5-2-304, C.R.S. and seeks to establish, meet, and maintain the financial responsibility requirements of the UCCC Administrator during the term of the subject license by tender of the within bond,

NOW, THEREFORE, the conditions of this bond are such that if the licensee shall comply with all provisions of the UCCC, and the rules and regulations lawfully adopted thereunder, during the term of the supervised lender license for which this bond is applicable, and shall pay any and all amounts which become due or owed to the UCCC Administrator thereunder, and shall pay any and all final judgments or orders that become lawfully due to or on behalf of any person who has prevailed in a UCCC cause of action against licensee, then this obligation is null and void, but otherwise to remain in full force and effect,

PROVIDED that the surety's aggregate liability for any and all claims which may arise under this bond shall in no event exceed the amount of this bond, regardless of the number of claims or claimants, and

FURTHER PROVIDED that the surety shall have the right to terminate or reduce its liability hereunder only by giving the licensee and the UCCC Administrator written notice of such termination or reduction of liability, sent by Certified U.S. Mail to the UCCC Administrator, Consumer Protection Section, Ralph L. Carr Colorado Judicial Center, 1300 Broadway, 6th Floor, Denver, Colorado 80203 or the UCCC Administrator's most current address. Such termination or reduction of liability shall be effective from and after the expiration of 30 days from the receipt of such notice by the UCCC Administrator or on such later date as is stated in the notice; provided,

however, that no liability incurred while said bond is in force and prior to said effective date of termination or reduction of liability shall be released or reduced by giving such notice, and

FURTHER PROVIDED, that after giving notice of termination or reduction of liability, the surety may reinstate or increase its liability by the execution and filing of a new bond or by mailing written notice to the UCCC Administrator indicating that the surety desires to continue as surety for the licensee and that its prior notice of termination or reduction of liability is withdrawn and rescinded.

FURTHER PROVIDED that, if this bond is not previously terminated as set forth above, the liability of the surety shall expire two (2) years after the date of the surrender, revocation, or expiration of the subject license, whichever shall first occur.

THIS BOND shall be effective on and after _____ (date) or, if left blank, the date of execution by surety shall be the effective date of the bond. The bond shall be effective, if accepted by the UCCC Administrator, without further notice.

WITNESS our hands and seals:

LICENSEE OR APPLICANT:

(Supervised Lender's Name)

[CORPORATE SEAL]

By:

(Signature)

(Date)

(Print Name)

(Title)

SURETY MUST ATTACH POWER OF ATTORNEY

(Surety)

[SURETY SEAL]

(Signature)

(Date)



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Consumer Protection Section
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STATE OF COLORADO
DEPARTMENT OF LAW

COLORADO UNIFORM CONSUMER CREDIT CODE
License Verification Form

Applicant: Complete the top part of this form and mail it to all states that license you as a lender, broker, or payday/deferred deposit lender. Copy the form and use it as needed. You do not need to mail it to states in which you are exempt from licensing/registration.

State Regulator: Please complete the bottom part of this form and send it to:

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1300 Broadway, 6th Floor
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Email: uccc@coag.gov
Fax: (720) 508-6033

APPLICANT SECTION

<u>Name and Principal Address of Applicant:</u>		<u>Senior Officers, Owners, Partners, Manager's Names:</u>	
<u>Trade Name(s) used in state in which you are licensed:</u>	<u>State and License Number(s):</u>	<u>Original License Date:</u>	
<u>Type of License:</u>			

STATE REGULATOR SECTION

- Is the above applicant licensed/regulated by your agency? Yes ____ No ____
- Is the information provided by applicant accurate? Yes ____ No ____ Correct as needed.
- Have you examined applicant for state law compliance? Yes ____ No ____
- Are there any significant, unresolved examination issues? Yes ____ (Provide details) No ____
- Are there any significant, unresolved complaints against applicant? Yes ____ (Provide details) No ____
- Have you taken any disciplinary, administrative, or legal actions against applicant?
Yes ____ (Provide details) No ____
- Are there any pending or contemplated disciplinary, administrative, or legal actions against applicant?
Yes ____ (Provide details) No ____

Name of person completing this form. _____

Title _____ State _____ Date _____

Telephone Number _____ Fax Number _____