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**STATE OF COLORADO
DEPARTMENT OF LAW**

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Denver, Colorado 80203
Phone (720) 508-6010
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www.coag.gov/uccc
uccc@coag.gov

**Consumer Protection Section
Consumer Credit Unit**

MEMORANDUM

TO: Supervised Lender Applicant

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

RE: 2019 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,
- Collected supervised loans the lender previously made,
- Service, take assignment of, or purchase supervised loans and collect or enforce rights arising from the, 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/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.

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 four 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 31st.

Master 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. The Branch License Application is available on the UCCC Licensing webpage at:

www.coag.gov/uccc/licensing.

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.

The UCCC laws and rules are available on the UCCC Licensing webpage at:

www.coag.gov/uccc/licensing.

The Truth in Lending Act and Regulation Z are available at:

www.ftc.gov/enforcement/statutes.

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**Colorado Supervised Lender's License
APPLICATION INSTRUCTIONS**

For an initial Colorado supervised lender's license, file the enclosed application and all attachments listed below. Do not file incomplete applications. A supervised lender's license will 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.

1. **COMPLETION OF APPLICATION:** Applicants must complete this application and the following items, as applicable. An application is not "complete" unless all required items have been filed (not including regulatory agency responses to license verification forms and license fee). If we advise you that the application is incomplete, you will have 45 days to complete the application.
2. **DBA, TRADE, OR ASSUMED NAMES:** Applicants using trade names must attach a copy of a properly filed Trade Name Affidavit showing the trade/assumed name from the *Colorado Secretary of State. Lenders located out-of-state may substitute similar trade name approval from the state in which the loan office is located.
3. **CORPORATIONS:** Corporations must 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 located out-of-state may substitute similar certificates from the state in which the loan office is located.
4. **LIMITED LIABILITY COMPANIES:** Limited liability companies must attach a copy of the Certificate of Organization from the *Colorado Secretary of State. Lenders located out-of-state may substitute similar certificates from the state in which the loan office is located.
5. **PARTNERSHIPS:** Partnerships must attach a copy of the Partnership Agreement. Limited partnerships must also submit a copy of the certificate filed with the *Colorado Secretary of State.
***Contact the Colorado Secretary of State at (303) 894-2200 or visit:**
www.sos.state.co.us/.
6. **SOLE PROPRIETORS:** Sole Proprietors (natural persons) must complete an Affidavit of Citizenship/Legal Residency as well as provide a copy of an approved type of verifiable identification. The Affidavit of Citizenship/Legal Residency is available on the UCCC Licensing webpage: www.coag.gov/uccc/licensing. If a verifiable form of identification cannot be provided, a waiver may be requested through the Colorado Department of Revenue. Visit their website at: www.colorado.gov/dmv/exceptions for more information.

7. **PERSONAL AFFIDAVITS:** All applicants must attach a Personal Affidavit for each individual owner, member, partner, and primary corporate executive officer. One blank copy of the Personal Affidavit is enclosed; make copies as needed.
8. **FINANCIAL RESPONSIBILITY:** Applicants must provide a surety bond or other financial responsibility per license. The amount is adjusted each June 1st 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 onset. Acceptable forms of financial responsibility are: (1) an original surety bond (form enclosed), (2) a cash assignment (form enclosed), or (3) a letter of credit. The letter of credit must meet the following criteria:

- Must be irrevocable with no conditions;
 - Must be issued by a state or national bank or savings and loan doing business in Colorado;
 - Must state the dollar amount;
 - Must name the UCCC Administrator as beneficiary in favor of the people of the State of Colorado; AND
 - Must remain in place for two years after the license is surrendered, revoked or expired. See UCCC Rule 9(b) for additional information.
9. **LICENSE VERIFICATIONS:** Applicants licensed by other state agencies must, for initial licensure only, complete the top of the attached License Verification Form and mail one to each of the agencies where licensed. Attach copies of all the forms you mailed to other agencies with your application, so we are able to track receipt of the forms. Other regulatory agencies must mail the completed forms to our office.
 10. **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/licensing. 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.
 11. **LICENSE FEES:** The initial/master license fee is **\$1,300**, which 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. Please make payable to the Colorado Uniform Consumer Credit Code (“UCCC”). **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 31st. Licenses are not reissued each year; the original license is perpetual and is renewed by payment of the appropriate fee.

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**Consumer Protection Section
Consumer Credit Unit**

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 #2 on the Application Instructions):

3. Address of initial location to be licensed:

(Street Address)

(City) (State) (Zip Code)

Telephone Number: _____ Website (if applicable): _____

Fax Number (if applicable): _____ 800 Number (if applicable): _____

4. **CONTACT INFORMATION** – Provide the name, mailing address, phone number and email address for each of the following categories:

General Mailings: _____
(Contact's Name)

(Contact's Phone Number) (Contact's Email Address)

(Contact's Mailing Address) (City) (State) (Zip Code)

Compliance/Examination Reports: _____
(Contact's Name)

(Contact's Phone Number) (Contact's Email Address)

(Contact's Mailing Address) (City) (State) (Zip Code)

Complaints: _____
(Contact's Name)

(Contact's Phone Number) (Contact's Email Address)

(Contact's Mailing Address) (City) (State) (Zip Code)

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

_____ Credit cards

_____ Unsecured loans or loans secured by personal property and/or autos

_____ Retail sales installment contracts (credit sales) or consumer leases

_____ Mortgage loans

_____ Pawn transactions (contracts for purchase)

_____ Loans secured by mobile homes

_____ Service loans originated by supervised financial

_____ Insurance premium finance loans

organizations (banks) – (see § 5-1-214, C.R.S.)

_____ Small installment loans of \$1,000 or less (per § 5-2-214, C.R.S.)

6. CORPORATIONS OR LIMITED LIABILITY COMPANIES - see #3 & #4 on the Application Instructions

Incorporated or Organized in the State of: _____

Date of Incorporation or Organization: _____

Colorado Registered Agent for Service of Process (Required):

Name: _____

Address: _____
(Street Address) (City) (Zip Code)

Primary Officers or Members (add additional list if necessary)

President: _____

Vice President: _____

Secretary: _____

Treasurer: _____

Stockholder/Member Information - 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 (add additional list if necessary).

7. PARTNERSHIPS – answer the following questions for each partner (see #5 on the Application Instructions)

Date of formation: _____

Place of formation: _____

Type of Partnership: General _____ Limited _____

List Names of Partners - General and Limited (attach additional list if necessary):

8. SOLE PROPRIETOR – see #6 on the Application Instructions

Name of Individual Proprietor: _____

ALL APPLICANTS MUST ANSWER THE FOLLOWING QUESTIONS

9. 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, provide details below:

10. 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, provide details below:

11. 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, provide details below:

12. List ALL federal, state, 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 professionally licensed occupation (see # 9 on the Application Instructions & attach additional list if necessary).

<u>Regulatory Agency Name</u>	<u>Regulatory Agency Address</u>	<u>Type of License/Registration & #</u>	<u>Date First Licensed/Registered</u>
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13. 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, provide 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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COLORADO SUPERVISED LENDER – PERSONAL AFFIDAVIT

To be completed by each partner, individual owner, member, manager, or primary corporate officer. A separate form must 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 office 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 Number: _____

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.

<u>Dates (month, year)</u>	<u>Employer</u>	<u>Position</u>	<u>Duties (brief description)</u>
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

5. Have you ever been directly connected with an 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 any 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, provide details below:

6. In the last ten years, have you ever been, or has any organization or business with which you were associated as an officer, director, partner, owner, or otherwise been involved in any voluntary or involuntary bankruptcy, receivership, or insolvency proceedings?

Yes _____ No _____ If Yes, provide details below:

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, provide 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, provide details below:

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, provide details below:

10. Is there now any pending 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, provide details below:

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, provide details below:

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

Signature

Date

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**Consumer Protection Section
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**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 where you are exempt from licensing/registration.

State Regulator: Please complete the bottom part of this form and send it to:
Colorado Department of Law
Consumer Protection Section, UCCC
Ralph L. Carr Judicial Center
1300 Broadway, 6th Floor
Denver, CO 80203
Email: uccc@coag.gov
Fax (720) 508-6033

APPLICANT SECTION		
Applicant Name:	Principal Address:	
State & License Number:	Type of License:	Original License Date:
Trade Name(s) used in state where licensed:	Names of Senior Officers, Owners, Partners, Managers:	
STATE REGULATOR SECTION		
1. Is the above applicant licensed/regulated by your agency?	Yes ___ No ___	
2. Is the information provided by the applicant (above) accurate?	Yes ___ No ___	
3. Have you examined applicant for state law compliance?	Yes ___ No ___	
4. Are there any significant, unresolved examination issues?	Yes ___ No ___	
5. Are there any significant, unresolved complaints against applicant?	Yes ___ No ___	
6. Have you taken any disciplinary, administrative, or legal action(s) against applicant?	Yes ___ No ___	
7. Are there any pending or contemplated disciplinary, administrative, or legal action(s) against applicant?	Yes ___ No ___	
Name of person completing this form: _____		
Title: _____ State: _____ Date: _____		
Phone Number: _____ Fax Number: _____		