

**State of California  
Office of Administrative Law**

**In re:**  
**Department of Financial Protection and  
Innovation**

**Regulatory Action:**

**Title 10, California Code of Regulations**

**Adopt sections:** 1620.01, 1620.02, 1620.03,  
1620.05, 1620.06, 1620.07,  
1620.08, 1620.10, 1620.11,  
1620.12, 1620.13, 1620.14,  
1620.15, 1620.16, 1620.17,  
1620.19, 1620.21, 1620.22,  
1620.25, 1620.27, 1620.28,  
1620.29

**Amend sections:** 1404, 1408, 1409, 1409.1,  
1411, 1422, 1422.4,  
1422.4.5, 1422.5, 1422.5.1,  
1422.6.2, 1422.7.1, 1422.9,  
1422.10, 1422.12, 1423,  
1424, 1425, 1426, 1437,  
1550, 1552

**Repeal sections:**

**NOTICE OF APPROVAL OF REGULATORY  
ACTION**

**Government Code Section 11349.3**

**OAL Matter Number: 2021-0222-01**

**OAL Matter Type: Regular (S)**

This action adopts and amends regulations to implement Assembly Bill 1284 (Dababneh, 2017) and the California Financing Law (Fin. Code § 22000 et seq.) governing the regulatory oversight of Property Assessed Clean Energy (PACE) programs and PACE program administrators, PACE solicitors, and PACE solicitor agents. This action also amends regulations to transition all licensees under the California Financing Law onto the Nationwide Multistate Licensing System & Registry (NMLS) national online database.

OAL approves this regulatory action pursuant to section 11349.3 of the Government Code. This regulatory action becomes effective on 10/1/2021.

**Date:** August 5, 2021



**Mark Storm  
Senior Attorney**

**For: Kenneth J. Pogue  
Director**

## NOTICE PUBLICATION/REGULATION SUBMISSION

STD. 400 (REV. 10/2019)

REGULAR

For use by Secretary of State only

OAL FILE NUMBERS	NOTICE FILE NUMBER Z-2019-1015-01	REGULATORY ACTION NUMBER 2021-0222-01	EMERGENCY NUMBER
For use by Office of Administrative Law (OAL) only			
NOTICE		REGULATIONS	

**ENDORSED - FILED**  
in the office of the Secretary of State  
of the State of California

AUG 05 2021

1:21 PM

AGENCY WITH RULEMAKING AUTHORITY  
Department of Financial Protection and Innovation

AGENCY FILE NUMBER (If any)  
PRO 02-17

**A. PUBLICATION OF NOTICE (Complete for publication in Notice Register)**

1. SUBJECT OF NOTICE		TITLE(S)		FIRST SECTION AFFECTED	2. REQUESTED PUBLICATION DATE
3. NOTICE TYPE <input type="checkbox"/> Notice re Proposed Regulatory Action <input type="checkbox"/> Other		4. AGENCY CONTACT PERSON		TELEPHONE NUMBER	FAX NUMBER (Optional)
OAL USE ONLY	ACTION ON PROPOSED NOTICE <input type="checkbox"/> Approved as Submitted <input type="checkbox"/> Approved as Modified <input type="checkbox"/> Disapproved/Withdrawn		NOTICE REGISTER NUMBER 2019, 43-Z	PUBLICATION DATE 10/25/19	

**B. SUBMISSION OF REGULATIONS (Complete when submitting regulations)**

1a. SUBJECT OF REGULATION(S) NMLS Transition and PACE Program Administrators	1b. ALL PREVIOUS RELATED OAL REGULATORY ACTION NUMBER(S)
2. SPECIFY CALIFORNIA CODE OF REGULATIONS TITLE(S) AND SECTION(S) (Including title 26, if toxics related)	

SECTION(S) AFFECTED (List all section number(s) individually. Attach additional sheet if needed.)	ADOPT See attached additional sheet.
	AMEND See attached additional sheet.
	REPEAL
TITLE(S) 10	

3. TYPE OF FILING			
<input checked="" type="checkbox"/> Regular Rulemaking (Gov. Code §11346)	<input type="checkbox"/> Certificate of Compliance: The agency officer named below certifies that this agency complied with the provisions of Gov. Code §§11346.2-11347.3 either before the emergency regulation was adopted or within the time period required by statute.	<input type="checkbox"/> Emergency Readopt (Gov. Code, §11346.1(h))	<input type="checkbox"/> Changes Without Regulatory Effect (Cal. Code Regs., title 1, §100)
<input type="checkbox"/> Resubmittal of disapproved or withdrawn nonemergency filing (Gov. Code §§11349.3, 11349.4)	<input type="checkbox"/> Resubmittal of disapproved or withdrawn emergency filing (Gov. Code, §11346.1)	<input type="checkbox"/> File & Print	<input type="checkbox"/> Print Only
<input type="checkbox"/> Emergency (Gov. Code, §11346.1(b))		<input type="checkbox"/> Other (Specify)	

4. ALL BEGINNING AND ENDING DATES OF AVAILABILITY OF MODIFIED REGULATIONS AND/OR MATERIAL ADDED TO THE RULEMAKING FILE (Cal. Code Regs. title 1, §44 and Gov. Code §11347.1)  
May 27, 2020 to June 12, 2020, Sept. 2, 2020 to Sept. 18, 2020, Nov. 18, 2020 to Dec. 3, 2020, and Dec. 29, 2020 to Jan. 13, 2021

5. EFFECTIVE DATE OF CHANGES (Gov. Code, §§ 11343.4, 11346.1(d); Cal. Code Regs., title 1, §100)  
☒ Effective January 1, April 1, July 1, or October 1 (Gov. Code §11343.4(a)) ☐ Effective on filing with Secretary of State ☐ \$100 Changes Without Regulatory Effect ☐ Effective other (Specify)

6. CHECK IF THESE REGULATIONS REQUIRE NOTICE TO, OR REVIEW, CONSULTATION, APPROVAL OR CONCURRENCE BY, ANOTHER AGENCY OR ENTITY  
☐ Department of Finance (Form STD. 399) (SAM §6660) ☐ Fair Political Practices Commission ☐ State Fire Marshal  
☐ Other (Specify)

7. CONTACT PERSON Colleen Monahan	TELEPHONE NUMBER 916-576-4952	FAX NUMBER (Optional)	E-MAIL ADDRESS (Optional) colleen.monahan@dfpi.ca.gov
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8. I certify that the attached copy of the regulation(s) is a true and correct copy of the regulation(s) identified on this form, that the information specified on this form is true and correct, and that I am the head of the agency taking this action, or a designee of the head of the agency, and am authorized to make this certification.

SIGNATURE OF AGENCY HEAD OR DESIGNEE 	DATE 2/19/2021
TYPED NAME AND TITLE OF SIGNATORY Bret Ladine, General Counsel	

For use by Office of Administrative Law (OAL) only

ENDORSED APPROVED

AUG 05 2021

Office of Administrative Law

**Form 400 – File Number Z-2019-1015-01**

**Additional Sheet**

**B. Submission of Regulations**

**2. Sections Affected**

**ADOPT:** 1620.01, 1620.02, 1620.03, 1620.05, 1620.06, 1620.07, 1620.08, 1620.10, 1620.11, 1620.12, 1620.13, 1620.14, 1620.15, 1620.16, 1620.17, 1620.19, 1620.21, 1620.22, 1620.25, 1620.27, 1620.28, and 1620.29.

**Amend:** Sections 1404, 1408, 1409, 1409.1, 1411, 1422, 1422.4, 1422.4.5, 1422.5, 1422.5.1, 1422.6.2, 1422.7.1, 1422.9, 1422.10, 1422.12, 1423, 1424, 1425, 1426, 1437, 1550, and 1552.

**TITLE 10 OF THE CALIFORNIA CODE OF REGULATIONS  
DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION  
PROPOSED REGULATIONS**

**Chapter 3. Commissioner of ~~Business Oversight, Division of Corporations~~  
Financial Protection and Innovation**

**Subchapter 6. California ~~Finance Lenders~~ Financing Law (~~Finance Company~~  
~~Rules~~)**

**§ 1404. Definitions.**

The following terms used in ~~Subchapter~~ subchapter 6 of these rules shall have (unless the context otherwise indicates) the following meanings:

(a) "Call report" or "NMLS Mortgage Call Report" means a report of condition on the company and its operations including financial statements and production activity volumes.

(b) "Company" includes all domestic and foreign private corporations, limited liability companies, joint ventures, associations, syndicates, joint stock companies, partnerships of every kind, unincorporated organizations, government or political subdivisions of a government, trustees and individuals.

(c) "Department" means the Department of ~~Corporations~~ Financial Protection and Innovation of the State of California.

(d) "Finance company" means a ~~company~~ finance lender or broker subject to the California ~~Finance Lenders~~ Financing Law and ~~also has the same meaning as "licensee" as defined in Financial Code Section 22007.~~

(e) "Law" or "Code" means the California ~~Finance Lenders~~ Financing Law.

(f) "Mortgage lender" or "mortgage broker" or "mortgage lender and broker" means



(j) "Form MU4" means the uniform licensing form developed by the Nationwide Mortgage Multistate Licensing System and Registry for an individual mortgage loan originator license or registration, entitled "Uniform Individual Mortgage License/Registration & Consent Form."

(k) "NMLS" means the Nationwide Mortgage Multistate Licensing System and Registry.

(l)(1) If the applicant or licensee is a finance company, "outstanding interests" means equity interests in a finance company (if the applicant or the licensee is a partnership) that have the power to: (1) vote to elect or direct the management of the applicant or the finance company, or (2) conduct or manage the lending activities of the finance company. The term "outstanding interests" does not include: (i) an equity interest in the partnership which represents only an economic interest such as a right to receive income and other distributions from the partnership, or (ii) an equity interest which does not give the owner or holder the right or ability, directly or indirectly, to elect or direct management of the applicant or the finance company, or (iii) equity interests where the owner or holder of such interests have entered into a written agreement whereby any right to vote such equity interests are disclaimed (such as an undertaking that any vote will mirror management's vote or the vote of the rest of the finance company's equity interests) or relinquished such that the owner or holder of such equity interests cannot, directly or indirectly, elect officers, directors, or management or otherwise direct, conduct or manage the lending activities of the applicant or finance company.

(2) If the applicant or licensee is a program administrator, "outstanding

other distributions, or (ii) equity securities which do not give the owner or holder the right or ability, directly or indirectly, to elect or direct management of the applicant or the finance company, or (iii) equity securities where the owner or holder of such securities have entered into a written agreement whereby any right to vote such equity securities are disclaimed (such as an undertaking that any vote will mirror management's vote or the vote of the rest of the finance company's stockholders) or relinquished such that the owner or holder of such equity securities cannot elect, directly or indirectly, officers, directors, or management or otherwise direct, conduct or manage the lending activities of the applicant or finance company.

(2) If the applicant or licensee is a program administrator, "outstanding equity securities" means securities of a corporation, trust, limited liability company, or association, including an unincorporated organization, that have the power to: (1) vote for or elect the management of the applicant or the program administrator, or (2) direct, conduct or manage the administering of the PACE program or other operations of the program administrator. The term "outstanding equity securities" does not include: (i) non-voting equity securities which represent only an economic interest or a right to receive income and other distributions, or (ii) equity securities which do not give the owner or holder the right or ability, directly or indirectly, to elect or direct management of the applicant or the program administrator, or (iii) equity securities where the owner or holder of such securities have entered into a written agreement whereby any right to vote such equity securities are disclaimed (such as an undertaking that any vote will mirror management's vote or the vote of the rest of the program administrator's stockholders) or relinquished such that the owner or holder of

#### **§ 1408. Waivers Prohibited.**

(a) A finance company shall not require or permit a borrower to waive any statutory provision of the Law for his/her benefit, including any notice which the law requires to be given to the borrower (however, any notice may be given by registered mail, directed to his/her last known address), nor shall a finance company require or permit a borrower to waive any mandatory provision of these rules and regulations.

(b) A program administrator shall not require or permit a property owner to waive any statutory provision of the Law, Streets and Highways Code sections 5898.16 or 5898.17, or chapter 29.1 (commencing with section 5900) of part 3 of division 7 of the Streets and Highways Code, for his or her benefit, including any notice which any law requires to be given to the property owner, nor shall a program administrator require or permit a property owner to waive any mandatory provision of these rules and regulations, unless the law or regulation expressly authorizes a waiver.

Note: Authority cited: Section 22150, Financial Code. Reference: Section 22001 and 22689 22150, Financial Code; Sections 5898.16, 5898.17, 5913, 5914, 5922, 5923, 5924, 5925, 5926, 5940, and 5954, Streets and Highways Code.

#### **§ 1409. Officers, Directors, Partners, and Other Persons: Maintenance of Current List with Commissioner: Information Required.**

(a) A ~~finance company~~ licensee shall at all times maintain on file with the Commissioner a current list of officers, directors, and partners in the case of a partnership, and other persons named in the application. Changes in partnerships are limited to the conditions set forth in ~~Section~~ section 22151, subdivision (b) of the Law. In the event of any change, other than transfers between branch offices, in the

MU4, and any exhibits thereto, through NMLS in accordance with its procedures for transmission to the Commissioner within twenty (20) days of changes to the information as provided in ~~Section~~ section 1422.6 of ~~Subchapter~~ subchapter 6 of these rules. Any change that cannot be submitted through NMLS shall be filed directly with the Commissioner. A mortgage loan originator may not renew his or her license under ~~Section~~ section 1422.6.3 of ~~Subchapter~~ subchapter 6 of these rules until all changes to the information contained in his or her Form MU4 are filed with the Commissioner as provided in this section.

(d) A licensed mortgage lender, mortgage broker, and mortgage lender and broker shall notify the Commissioner of the employment of any new mortgage loan originator in California and of the termination of employment of any mortgage loan originator in California in accordance with ~~Section~~ section 1422.6 of ~~Subchapter~~ subchapter 6 of these rules.

(e) If a mortgage lender, mortgage broker, or mortgage lender and broker discovers that a sponsored mortgage loan originator has not filed an amendment to his or her Form MU4, the mortgage lender, mortgage broker, or mortgage lender and broker shall require the mortgage loan originator to file the amendment immediately. If, within five (5) days from the demand, the mortgage loan originator has not made the changes, the mortgage lender, mortgage broker, or mortgage lender and broker shall inform the Commissioner in writing.

Note: Authority cited: ~~Sections 22100 and 22108,~~ and 22150, Financial Code.  
Reference: Section 1798.18, Civil Code; and Sections 22100, 22106 and 22108, Financial Code.

~~Commissioner of Business Oversight shall inform the applicant, in writing, that the application is complete and accepted for filing, or that the application is deficient and specify what information is required to complete the application. Within 60 calendar days from the filing of a completed application, the Commissioner of Business Oversight shall reach a decision on the license.~~

~~(c) An application for a license as a finance lender or broker shall be submitted to the Commissioner of Business Oversight on the following form:~~

processing fee is \$20 per individual if the individual resides in California. If the individual resides outside of California, the applicable fingerprint processing fee is \$86 per individual. The application fee, investigation fee, and fingerprint processing fees are not refundable if the application is denied or withdrawn. Detailed instructions for the fingerprint processing requirements are listed below under "Exhibit C."

Make check(s) payable to the Department of ~~Business Oversight~~ Financial Protection and Innovation for the total amount of all fees. The application, exhibits, and fees must be filed only in the Los Angeles office of the Department of ~~Business Oversight~~ Financial Protection and Innovation, located at 320 West 4<sup>th</sup> Street, Suite 750, Los Angeles, California 90013. **Applications which do not include all required information and exhibits will not be processed.**

### **THE CFL APPLICATION**

References to exhibits in these instructions pertain to specific documents that must be submitted with the CFL application. The headings used in these instructions correspond to the application item numbers and exhibit letters in the CFL application.

### **COVER PAGE OF APPLICATION:**

Check **one** box only to reflect the type of license for which you are applying, either "Lender" or "Broker" or "Both." Do not check more than one box.

### **ITEM NUMBER 1 OF APPLICATION:**

#### **1.a. Name of Applicant:**

Provide the applicant's legal name. For individuals (sole proprietors), list first, middle and last name. If a sole proprietor applicant has no middle name, indicate, e.g., "John [no middle name] Smith."

Note: Some foreign entities are required by the California Secretary of State's office to use an assumed name for all business they conduct in California. Such entities should provide that assumed name as the "Name of Applicant" and may only use that name. Such entities are not permitted to use a fictitious business name.

#### **1.b. Fictitious Business Name:**

An applicant who intends to conduct CFL business under a fictitious business name that is different from its legal name should list the fictitious business name here. Enter the name exactly as it appears on the Fictitious Business Name Statement as filed with the county clerk. The fictitious business name must be provided in addition to the legal name. Applicants who intend to conduct business under a fictitious business name are required to comply with the rules governing the filing of a fictitious business name as set forth in the Business and Professions Code, beginning at Section section 17900.

#### **1.c. Filing of Fictitious Business Name:**

Provide the requested information for all general partners and indicate if the general partner is a managing general partner by checking the box.

**5.c. Person(s) Who Will Be In in Charge of the Place of Business:**

Provide the full name, address, telephone number, and e-mail address of all managers as "person(s) who will be in charge of the place of business." "Managers" are persons with authority to manage the operations of the organization in California.

**5.d. and 5.e. Other Persons:**

List the full name of any other person with direct involvement in the applicant's proposed activities under the ~~CFL~~ CFL license in 5.d. and any person that owns or controls, directly or indirectly, ~~40%~~ 10 percent or more of the outstanding interests of the applicant in 5.e. This includes any entity owning ~~40%~~ 10 percent or more of the outstanding interests of the applicant.

~~If the applicant is owned by another entity(s) or individual(s), or has subsidiaries or affiliated entities, provide an organization chart identifying each entity or individual percentage of ownership in the applicant. Label the organization chart as Exhibit M.~~

**5.f. Agent for Service of Process (General Partnership Applicants ONLY):**

Provide the name and address of the applicant's agent for service of process in California. Provide this information if the applicant has an agent in California who is authorized to accept service on its behalf. For example, it is common for persons to authorize their attorney to accept service of process on their behalf. Indicate if there is no authorized agent for service of process in California by stating "none".

**ITEM NUMBER 6 OF APPLICATION (Corporations and Other Business Entities):**

Complete this item of the application only if the applicant is applying as a corporation, limited liability company, joint venture, association, joint stock company, trust, unincorporated organization, government, or political subdivision of a government.

**6.a. Organization:**

Include the full date (month, day, year) of organization and the state where the applicant was organized.

**6.b. Officers and Directors:**

List the full name of each of the officers, directors, managers, and trustees.

**6.c. Person(s) Who Will Be In in Charge of the Place of Business:**

Provide the full name, address, telephone number, and e-mail address of all managers as "person(s) who will be in charge of the place of business." "Managers" are persons with authority to manage the operations of the organization in California.

made or brokered. Check all boxes that are applicable. There is a statutory minimum of \$5,000 or more for commercial purpose loans and consumer loans secured by real estate. Commercial purpose loans less than \$5,000 are treated statutorily as consumer purpose loans.

**10.b. Business Plan:**

Provide a ~~short description of~~ business plan that describes how the applicant plans to conduct business under the ~~CFL~~ CFL license. Include any information necessary for the Commissioner of ~~Business Oversight~~ Financial Protection and Innovation to ~~have an understanding of~~ understand the type of business that the applicant plans to conduct under this license.

**ITEM NUMBER 11 OF APPLICATION:**

**Qualification of Securities:**

Check the appropriate box to indicate whether the applicant's offer and sale of securities have been qualified in California. Under the Corporate Securities Law of 1968, companies, individuals or other entities that offer and sell securities including common stock, debt, limited partnership interests or limited liability company membership interests, employee stock options, etc., in California must claim an exemption or qualify the offering by filing an application. If exempt, the applicant must have the appropriate limited/small offering exemption notice on file with the Department. Please contact ~~our Customer Service Office~~ the Department of Financial Protection and Innovation at 1-866-275-2677 for further information.

**ITEM NUMBER 12 OF APPLICATION:**

**Designated Department of Financial Protection and Innovation Email Account:**

Provide a designated email account to receive communications from the Department of Financial Protection and Innovation. Applicants must establish and maintain an email account designated for communications with the Department of Financial Protection and Innovation. In addition to identifying the email account in this application, an applicant must register online and designate the email address through the DFPI Self Service Portal at <https://docqnet.dfpi.ca.gov/>. The email account must conform to the following parameters:

- (1) The account must be a generic address and not an individual's email.
- (2) The account must allow the receipt of all "@govdelivery.com" emails.
- (3) The security settings of the account must allow for the receipt of attachments.
- (4) The account must allow for the distribution of emails to the appropriate individuals within the applicant.
- (5) The account must be continuously maintained.



the fingerprint information and the cost of fingerprint processing (discussed below).

The 10-year employment and residence histories in the Statement of Identity and Questionnaire must be complete and accurate. Attach copies of all pertinent court and other documents requested. The Statement of Identity and Questionnaire must be notarized if executed outside the State of California.

If an entity owns or controls 40% 10 percent or more of the outstanding interests or outstanding equity securities of the applicant or licensee, a Statement of Identity and Questionnaire and fingerprints must need not be submitted for each officer, director, general partner, or managing member of the owner, unless that individual has the power to direct the management or policies of the applicant's lending activities in this state, as applicable. The Commissioner may waive this requirement if it is determined that further investigation is not necessary for public protection.

~~A public company may submit fingerprints only for persons not included on the public company's Form 10-K, Form 10-Q or other similar document filed with the Securities and Exchange Commission. The applicant must submit a copy of Form 10-K, Form 10-Q, or other similar document that includes the name of the individuals not submitting fingerprints. Statement of Identity and Questionnaires must still be completed for all individuals. For purposes of this paragraph, "public company" means a company whose securities are listed or designated on a national securities exchange certified by Commissioner of Business Oversight under subdivision (o) of Section 25100 of the California Corporations Code.~~

## **Fingerprints**

All individuals named in Item Numbers 4, 5, and 6 of the application must submit fingerprints and related information to the Department of ~~Business Oversight~~ Financial Protection and Innovation with the application, for the purposes of conducting a criminal history background check. (Financial Code ~~Section~~ section 22101.5.) Applicants must pay for the cost of processing the fingerprints.

### Instructions for In-State Individuals Required to Submit Fingerprints:

Each individual named in ~~Item Numbers 4, 5, and 6 of the application~~ who resides in California must complete a "Request for Live Scan Service" form. The triplicate form can be printed from the Department of ~~Business Oversight's~~ Financial Protection and Innovation's website at www.dbo.ca.gov www.dfpi.ca.gov. ~~Adobe Reader 7.x is required to download the form correctly.~~ The individuals must take the three-part form to a live scan location to have their fingerprints taken by the operator and submitted electronically to the California Department of Justice for processing. The applicant ~~will be~~ must pay the fees charged by the California Department of Justice for processing the fingerprints directly to the live scan operator. The Attorney General's website at https://oag.ca.gov/fingerprints http://caag.state.ca.us/fingerprints/publications/contact.htm has current information concerning the Department of Justice's fees and the location of live scan terminals. You may also call the Department of ~~Business Oversight~~ Financial Protection and Innovation at 1-(866) 1-866-275-2677 for information concerning the location of live scan terminals. Submit the "Requesting Agency Copy" of the "Request for Live Scan Service" form and a processing

or 6 of the application and who is authorized to sign on behalf of the applicant.

**EXHIBIT F:**

**Fictitious Business Name Statement**

Submit a copy of the current Fictitious Business Name Statement with the "filed stamp" from the county clerk's office. The applicant's name must appear as a registrant on the Fictitious Business Name Statement. Label this document as Exhibit F.

**EXHIBIT G: All Corporate Applicants Incorporated ~~In~~in Any State**

Corporations must submit an ORIGINAL certificate of qualification or good standing from the Secretary of State or other authority of the applicant's state of incorporation. The name on the certificate must match the name listed in Item Number 1 of the application. **The certificate must also indicate the original date of incorporation.** Label this document as Exhibit G.

**EXHIBIT H (Foreign Corporations ONLY):**

**Additional Requirements for Applicants Incorporated ~~In~~in States Other Than California**

Applicants incorporated OUTSIDE the State of California must submit an original certificate of qualification or good standing issued by the California Secretary of State, in addition to the document required in Exhibit G.

Foreign corporations must register and qualify the corporation to conduct business in the State of California as a foreign corporation through the California Secretary of State. The name on the certificate must match the name listed in Item Number 1 of the application. Label the document as Exhibit H.

**EXHIBIT I: All General Partnership Applicants Organized ~~In~~in Any State**

**Partnership Agreement**

Provide a copy of the original partnership agreement. **The agreement must indicate the original date of organization.** Label the document as Exhibit I.

**EXHIBIT J: Applicants Organized ~~In~~in Any State as a Limited Partnership or Limited Liability Company**

Limited partnerships and limited liability companies must submit an ORIGINAL certificate of qualification or good standing from the Secretary of State or other authority of the applicant's state of organization. The name on the certificate must match the name in Item Number 1 of the application. **The certificate must also indicate the original date of organization.** Label the document as Exhibit J.

**EXHIBIT K (Foreign Business Entities ONLY):**

**Additional Requirements for Applicants Organized as a Limited Partnership or Limited**

**EXECUTION SECTION:**

Complete the required information. The Execution Section must be signed by the applicant in the case of a sole proprietor applicant or, for other types of applicants, by an individual who is named in Item Numbers 4, 5, or 6 of the application and who is authorized to sign on behalf of the applicant. By signing the application, the applicant agrees with the representations listed and agrees to appoint the Commissioner of ~~Business Oversight~~ Financial Protection and Innovation to receive service of process on behalf of the applicant.

G. Corporation Licensee Information		X	X				
H. Foreign Corporation Licensee Information			X				
I. General Partnership Licensee Information						GP ONLY X	GP ONLY X
J. Limited Partnership & LLC Licensee Information				X	X	LP ONLY X	LP ONLY X
K. Foreign Limited Partnership & LLC Licensee Information					X		LP ONLY X
L. Social Security Number or Federal Taxpayer Identification Number	X	X	X	X	X	X	X
M. <u>Organization</u> <u>Organizational</u> Chart		X	X	X	X	X	X
Execution Section	X	X	X	X	X	X	X

☐ a corporation

☐ a limited liability company

☐ other (please specify such as joint venture, association, joint stock company, trust, unincorporated organization, government, or political subdivision of a government):

3. Applicant's proposed licensed place of business:

\_\_\_\_\_  
(Number and Street) (City) (County) (State) (Zip)

4. If the applicant is a sole proprietor, provide the following information:

a. The **FULL** first, middle-(if no middle name, so indicate) and last name of the sole proprietor.

\_\_\_\_\_  
(Name)

b. The **FULL** first, middle (if no middle name, so indicate) and last name, complete business address, telephone number, and e-mail address, if any, for each person(s) who will be in charge of the place of business.

\_\_\_\_\_  
(Name) (Telephone Number) (E-mail Address)

\_\_\_\_\_  
(Number and Street) (City) (State) (Zip)

c. If the applicant has listed a business location outside of California in Item Number 3, provide the **FULL** first, middle (if no middle name, so indicate) and last name, and complete address of an agent for service of process in California. If there is no authorized agent in California, so indicate.

\_\_\_\_\_  
(Name)

\_\_\_\_\_  
(Number and Street) (City) (State) (Zip)

5. If the applicant is a general partnership or a limited partnership, provide the following information:

a. Applicant was organized on \_\_\_\_\_ in the State of \_\_\_\_\_.  
(Date MM/DD/YYYY)

b. The **FULL** first, middle (if no middle name, so indicate) and last name, and complete business address for each general partner. Indicate if a general partner is a managing general partner by

b. The **FULL** first, middle (if no middle name, so indicate) and last name, be given for each person named below. Complete all fields. If any title is not applicable, so indicate.

*President/Chief Executive Officer:*

\_\_\_\_\_  
(Name)

*Secretary:*

\_\_\_\_\_  
(Name)

*Directors:*

\_\_\_\_\_  
(Name)

*Executive Vice President/Vice President:*

\_\_\_\_\_  
(Name)

*Treasurer/Chief Financial Officer:*

\_\_\_\_\_  
(Name)

*Manager(s)* [i.e., a managing member of an association, or a manager appointed or elected by the members of a limited liability company]:

\_\_\_\_\_  
(Name)

\_\_\_\_\_  
(Name)

*Trustee(s):*

\_\_\_\_\_  
(Name)

\_\_\_\_\_  
(Name)

c. The **FULL** first, middle (if no middle name, so indicate) and last name, complete business address, telephone number, and e-mail address, if any, for each person(s) who will be in charge of the place of business.

\_\_\_\_\_  
(Name)

\_\_\_\_\_  
(Telephone Number)

\_\_\_\_\_  
(E-mail Address)

\_\_\_\_\_  
(Number and Street)

\_\_\_\_\_  
(City)

\_\_\_\_\_  
(State)

\_\_\_\_\_  
(Zip)

d. The **FULL** first, middle (if no middle name, so indicate) and last name for any other person responsible for the conduct of applicant's lending activity in this state. Indicate if no other person is responsible.

\_\_\_\_\_  
(Name)

\_\_\_\_\_  
(Name)

Date of Resolution or Settlement: \_\_\_\_\_

8. Does the applicant conduct or intend to conduct any other business at the applicant's proposed licensed place of business (Item Number 3 above)? ☐ Yes ☐ No

If yes, describe any business being conducted or planned to be conducted on the applicant's premises in sufficient detail that will allow the Commissioner of Financial Protection and Innovation to find that the character of the other business is such that the granting of authority to conduct other business at a licensed location would not facilitate evasions of the California Financing Law or its rules and regulations. If the Commissioner of ~~Business Oversight's~~ Financial Protection and Innovation's authorization is not required because the products or services are of a supervised financial institution affiliated with the applicant, so indicate. \_\_\_\_

9. Provide the name, address, and telephone number of the bonding agent to whom the Department can direct questions regarding the surety bond required in Exhibit B below.

\_\_\_\_\_  
(Name of Bonding Agent)

\_\_\_\_\_  
(Telephone Number)

\_\_\_\_\_  
(Number and Street)

\_\_\_\_\_  
(City)

\_\_\_\_\_  
(State)

\_\_\_\_\_  
(Zip)

10. Complete the following as it applies to your proposed operations:

a. In the table below, mark the type of collateral and enter the corresponding minimum loan amount for commercial and consumer loans applicable to your proposed method of operation.

COMMERCIAL LOANS		CONSUMER LOANS	
Collateral Type (check <input checked="" type="checkbox"/> all that apply)	Minimum Loan Amount	Collateral Type (check <input checked="" type="checkbox"/> all that apply)	Minimum Loan Amount
<input type="checkbox"/> Real Property	\$	<input type="checkbox"/> Real Property	\$
<input type="checkbox"/> Personal Property	\$	<input type="checkbox"/> Personal Property	\$
<input type="checkbox"/> Unsecured	\$	<input type="checkbox"/> Unsecured	\$

Note: The minimum loan amount for a commercial purpose loan is \$5,000.00. A commercial

### **REQUIRED EXHIBITS:**

EXHIBIT A. Provide a balance sheet of the applicant prepared in accordance with generally accepted accounting principles and dated no more than 90 days prior to the date this application is filed. Label the balance sheet as Exhibit A.

EXHIBIT B. Provide the original surety bond, including riders and endorsements, in the amount of \$25,000. The instructions and bond form are enclosed.

EXHIBIT C. Provide for each individual (natural person) named in Items 4, 5, and 6, a Statement of Identity and Questionnaire, along with fingerprint information and the cost of fingerprint processing. The Statement of Identity and Questionnaire form is enclosed.

EXHIBIT D. SOLE PROPRIETOR ONLY: Complete the enclosed form entitled "Statement of Citizenship, Alienage, and Immigration Status ~~For~~ for Application of Department of ~~Business Oversight~~ Financial Protection and Innovation License or Certificate."

EXHIBIT E. Complete the enclosed form entitled "Customer Authorization for Disclosure of Financial Records."

EXHIBIT F. Provide a copy of the current Fictitious Business Name Statement filed with the county clerk. Label the document as Exhibit F.

EXHIBIT G. ALL CORPORATE APPLICANTS INCORPORATED IN ANY STATE: Submit an original certificate of good standing or qualification executed by the Secretary of State of your state of incorporation, or other proper authority showing that the applicant is authorized to transact business in that state. The certificate must indicate the original date of incorporation. Label the document as Exhibit G.

EXHIBIT H. ADDITIONAL REQUIREMENT FOR APPLICANTS INCORPORATED IN STATES OTHER THAN CALIFORNIA (FOREIGN CORPORATION) ONLY: Submit an original certificate of good standing or qualification executed by the California Secretary of State showing that the applicant is qualified to do business in California. Label the document as Exhibit H.

EXHIBIT I. GENERAL PARTNERSHIP APPLICANTS ONLY: Submit a copy of the original partnership agreement. Label the document as Exhibit I.

EXHIBIT J. APPLICANTS ORGANIZED IN ANY STATE AS A LIMITED PARTNERSHIP OR LIMITED LIABILITY COMPANY: Submit an original certificate of good standing or qualification executed by the Secretary of State of your state of organization, or other proper authority showing that the applicant is authorized to transact business in that state. The certificate must indicate the original date of organization. Label the document as Exhibit J.

EXHIBIT K. ADDITIONAL REQUIREMENT FOR APPLICANTS ORGANIZED AS A LIMITED



change.

6. That the applicant for a broker's license agrees that a license issued pursuant to the California ~~Finance Lenders~~ Financing Law does not provide the authority to broker loans to lenders that are not licensed as finance lenders as defined in Financial Code ~~Section~~ section 22009; that the applicant will maintain any license necessary to broker loans to a lender not licensed as a finance lender; loans will only be brokered to lenders licensed pursuant to the California Finance Lenders Law, and that a finance lenders may not pay compensation for brokerage services (i.e., brokerage commission, finder's fee, referral fees, etc.) to anyone not licensed as a broker under this ~~Division~~ division, except for those exempt persons as provided for in ~~Section~~ section 1451 of the Rules Department's regulations (Cal. Code Regs., tit. 10, C.C.R. § 1451).
7. For purposes of Financial Code ~~Sections~~ sections 22340 and 22600, when selling loans secured by real property to institutional investors, the applicant agrees that the source of funds will be exclusive of any funding advances from an institutional investor committed to purchasing the note. The practice commonly known as "table funding" is not permitted under the California ~~Finance Lenders~~ Financing Law.
8. That the applicant agrees that a license issued pursuant to the California ~~Finance Lenders~~ Financing Law permits only employees to work under the license. Persons engaged in lending that are not employees may need to obtain a license under the California ~~Finance Lenders~~ Financing Law.
9. That the applicant agrees that a license issued pursuant to the California ~~Finance Lenders~~ Financing Law does not permit a licensee to authorize locations operated by persons other than employees of the licensee under some form of franchise or license agreement (e.g., net branching).
10. That the applicant agrees to obtain a new license issued pursuant to the California ~~Finance Lenders~~ Financing Law for each additional location.
11. That the applicant agrees to comply with limitations on rates and charges for loans under the California ~~Finance Lenders~~ Financing Law.
12. That the applicant agrees to obtain the Commissioner of ~~Business Oversight's~~ Financial Protection and Innovation's approval prior to engaging in other business at a licensed location, unless that other business is providing products or services of an affiliated supervised financial institution.
13. That the applicant agrees that real estate may not be taken as security for a consumer loan of less than \$5,000.
14. That the applicant agrees that commercial loans of less than \$5,000 are treated as consumer loans under the law.

Commissioner of ~~Business Oversight~~ Financial Protection and Innovation or the Commissioner's representatives, at a location in this state designated by the Commissioner of ~~Business Oversight~~ Financial Protection and Innovation, or the Commissioner's representatives, the books, accounts, papers, records and files within 10 calendar days of any request from the Commissioner; or to pay the reasonable expenses for travel, meals, and lodging of the Commissioner of ~~Business Oversight~~ Financial Protection and Innovation or the Commissioner's representatives incurred during any investigation or examination made at the licensee's location outside this state.

27. That the applicant agrees to pay an annual assessment each year of a minimum of \$250 per location.
28. That the applicant agrees to file an annual report by March 15 of each year.
29. That the applicant agrees to maintain a surety bond of \$25,000 at all times.
30. That the applicant hereby attests that the applicant (including officers, directors, general partners, persons responsible for the applicant's lending activities in California and persons owning or controlling, directly or indirectly, ~~40%~~ 10 percent or more of the outstanding interests or outstanding equity securities of the applicant) has not engaged in conduct that would be cause for denial of a license. (Only one declaration required for each applicant.)
31. That, if applicable, the applicant will comply with the rules governing the filing of a fictitious business name as set forth in the Business and Professions Code, beginning at ~~Section~~ section 17900.
32. That the applicant will comply with the examination requirements concerning advertising pursuant to California Code of Regulations, title 10, section ~~Section~~ 1550.
33. By signing the application, the applicant hereby irrevocably appoints the Commissioner of ~~Business Oversight~~ Financial Protection and Innovation of the State of California, or the Commissioner's successor in office, to be the undersigned's attorney to receive service of any lawful process in any noncriminal suit, action or proceeding against the undersigned, or the undersigned's successor, executor, or administrator which arises under the California ~~Finance Lenders~~ Financing Law or any rule or order thereunder after this consent has been filed, with the same force and validity as if served personally on the undersigned. For the purpose of compliance with the California ~~Finance Lenders~~ Financing Law of the State of California, notice of the service and a copy of process must be sent by registered or certified mail to the undersigned at the following address:

---

(Name)

---

Date \_\_\_\_\_

\_\_\_\_\_  
(Typed Name of Declarant)

\_\_\_\_\_  
(Title)

## 1422 - CFLL Application Long Form

BEFORE THE  
DEPARTMENT OF ~~BUSINESS OVERSIGHT~~ FINANCIAL PROTECTION AND INNOVATION  
OF THE STATE OF CALIFORNIA  
EXHIBIT B

BOND OF FINANCE LENDER, ~~BROKER~~, OR PROGRAM ADMINISTRATOR ~~AND/OR BROKER~~  
FINANCIAL CODE SECTION 22112

Bond No. \_\_\_\_\_

KNOW ALL MEN BY THESE PRESENTS:

That we \_\_\_\_\_, as Principal, whose address  
for service is \_\_\_\_\_, and \_\_\_\_\_,  
(Street Address, City, State and ZIP Code)

a corporation, created, organized and existing under and by virtue of the laws of the State of  
\_\_\_\_\_ and an admitted Surety insurer authorized to transact a general  
Surety business in the State of California, as Surety whose address for service is

\_\_\_\_\_, are held and firmly  
(Street Address, City, State and ZIP Code)

bound unto the Commissioner of ~~Business Oversight~~ Financial Protection and Innovation of the State  
of California, for the use thereof and for the use of any person or persons who may have a cause of  
action against the Principal under the provisions of the California ~~Finance Lenders~~ Financing Law and  
all laws amendatory thereof and supplementary thereto now and hereafter enacted, in the total  
aggregate penal sum of \_\_\_\_\_ Dollars (\$\_\_\_\_\_) (see ~~Financial Code~~  
Section 22112 Fin. Code, § 22112), lawful money of the United States of America, to be paid to the  
Commissioner of ~~Business Oversight~~ Financial Protection and Innovation of the State of California,  
or to any person or persons, for the use and benefit aforesaid, for which payment well and truly to be  
made, we bind ourselves, our heirs, executors, administrators, successors and assigns, jointly and  
severally firmly by these presents.

The condition of the above obligation is such that--

WHEREAS, The above-named Principal has made application to the Commissioner of ~~Business~~  
~~Oversight~~ Financial Protection and Innovation of the State of California for a license to engage in  
business under and pursuant to the provisions of the California ~~Finance Lenders~~ Financing Law, and  
is required under the provisions of the California ~~Finance Lenders~~ Financing Law to furnish a bond in

Executed at (City and State)

I certify (or declare) under penalty of perjury under the laws of the State of California that I have executed the foregoing bond under an unrevoked power of Attorney.

Executed in \_\_\_\_\_ on \_\_\_\_\_  
(City and State) (Date)

\_\_\_\_\_  
Signature of Attorney-in-Fact  
for Surety

\_\_\_\_\_  
Printed or typed name of  
Attorney-in-Fact for Surety

**ALL OF THE ABOVE SIGNATURES MUST BE NOTARIZED**

Insert Full Name  
of Individual: \_\_\_\_\_

Insert Licensee  
(Company Name): \_\_\_\_\_

1. Residence addresses for the last 10 years:

From	To	Street	City Code	State	Zip
	Present				

Attach separate schedule if space is not adequate.

2. Employment for the last 10 years:

From	To	Employer Name and Address	Occupation and Duties
	Present		

Attach separate schedule if space is not adequate.

3. a. Have you ever been named in any order, judgment or decree of any court or any governmental agency or administrator, temporarily or permanently restraining or enjoining you from engaging in or continuing any conduct, practice or employment?

☐ Yes ☐ No

If the answer is "Yes", give details:

\_\_\_\_\_  
Attach a copy of any order, judgment or decree.

- b. Are you currently, or have you been within the last ten years, under federal, state or local investigation for possible violation of any law, ordinance, or licensing or regulatory scheme?

☐ Yes ☐ No

If the answer is "Yes", give details:

Insert Full Name  
of Individual: \_\_\_\_\_

Insert Licensee  
(Company Name): \_\_\_\_\_

781 of the California Welfare and Institutions Code.

☐ Yes ☐ No

If the answer is "Yes", give details:

\_\_\_\_\_  
Attach a copy of any order, judgment or decree. If a conviction was entered under Section section 23152(a) of the Vehicle Code, attach a written declaration stating whether drugs were involved.

6. Have you ever been a defendant in a civil court action other than divorce, condemnation or personal injury?

☐ Yes ☐ No

If the answer is "Yes", please complete the following:

Date of suit \_\_\_\_\_ Location of court \_\_\_\_\_

Nature of suit \_\_\_\_\_

Attach a copy of any order, judgment or decree.

7. Have you ever been a subject of a bankruptcy or a petition in bankruptcy?

☐ Yes ☐ No

If the answer is "Yes", give date, title of case, location of bankruptcy filing:

8. Have you ever been refused a bond, or have you ever had a bond revoked or canceled?

☐ Yes ☐ No

If the answer is "Yes", give details:

9. Have you ever changed your name ~~including a woman's maiden name~~, including subsequent to marriage, or ever been known by any name other than that herein listed?

☐ Yes ☐ No

This verification may be made either before a Notary Public or as a declaration under penalty of perjury. This form MUST be executed before a Notary Public if it is executed OUTSIDE the State of California.

I certify/declare under penalty of perjury that the foregoing is true and correct.

Executed at \_\_\_\_\_  
(City)

\_\_\_\_\_  
(County) (State)

this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

\_\_\_\_\_  
(Print Name)

\_\_\_\_\_  
(Signature of Individual)

State of \_\_\_\_\_)

County of \_\_\_\_\_)

Date \_\_\_\_\_, 20\_\_\_\_

at \_\_\_\_\_

\_\_\_\_\_  
(Signature of Individual)

Subscribed and sworn to before me

\_\_\_\_\_, 20\_\_\_\_

\_\_\_\_\_  
Notary Public in and for said County and State



STATE OF CALIFORNIA  
DEPARTMENT OF ~~BUSINESS OVERSIGHT~~ FINANCIAL PROTECTION AND INNOVATION  
CUSTOMER AUTHORIZATION FOR DISCLOSURE OF  
FINANCIAL RECORDS  
EXHIBIT E

Pursuant to Financial Code ~~Section~~ section 22156 and Government Code ~~Section~~ section 7473, any financial institution, wherever situated, possessing financial records of

\_\_\_\_\_  
(Name of Applicant as appears on Application)

Licensed under the CALIFORNIA ~~FINANCE LENDERS~~ FINANCING LAW

is hereby authorized to disclose to the California Department of ~~Business Oversight~~ Financial Protection and Innovation records of the above-named business licensed under the above-described Act, whether such records relate to accounts which have been closed, accounts which are currently maintained, or accounts which are hereafter established.

This authorization is effective as of the date of execution and shall remain effective until five years after the expiration or revocation of the above-named business licensed under the above-described Act, including renewals of such license.

This authorization may not be revoked.

The terms used in this authorization shall have the definitions contained in the California Right to Financial Privacy Act (~~Government Code Section~~ Gov. Code, § 7460 et seq.), and the California ~~Finance Lenders~~ Financing Law (~~Financial Code Section~~ Fin. Code, § 22000 et seq.).

The above-named licensee has duly caused this authorization to be signed on its behalf by the undersigned, thereunto duly authorized.

Executed on \_\_\_\_\_ at \_\_\_\_\_  
(Provide date and city where executed)

\_\_\_\_\_  
(Name of Licensee)


By \_\_\_\_\_  
(Signature)

**§ 1422.4. Electronic Filings.**

(a) DESIGNATION: The Commissioner designates the Nationwide Mortgage Multistate Licensing System (NMLS) owned and operated by the State Regulatory Registry LLC (SRR), a wholly-owned subsidiary of the Conference of State Bank Supervisors (in cooperation with the American Association of Residential Mortgage Regulators) to receive and store filings, obtain fingerprints, obtain credit reports, and collect related fees from applicants and state-licensed program administrators, mortgage lenders, mortgage brokers, mortgage lenders and brokers finance companies, and mortgage loan originators on behalf of the Commissioner.

(b) USE OF NMLS:

(1) All program administrator, mortgage lender, mortgage broker, mortgage lender and broker, and mortgage loan originator applications, amendments, reports, notices, related filings, renewals, authorizations, and fees required to be filed with the Commissioner shall be filed electronically with and transmitted to NMLS, except as otherwise indicated in Subchapter subchapter 6 of these rules.

*OCTOBER 1, 2021*   
(2) For all finance lenders and brokers applying for licensure on or after [OAL to insert effective date], all applications, amendments, reports, notices, related filings, renewals, authorizations, and fees required to be filed with the Commissioner shall be filed electronically with and transmitted to NMLS, except as otherwise indicated in this subchapter.

(3) For all finance lenders and broker licensees not currently on NMLS, on or before December 31, 2021, the licensee shall transition onto NMLS by filing an application in NMLS in accordance with section 1422.5 of these rules. After the licensee

Note: Authority cited: Sections 22100 and 22150, Financial Code. Reference: Section 1633.7, Civil Code; and Sections 22012, 22014, 22100, 22100.5, 22101, 22105.1 and 22105.2, Financial Code.

**§ 1422.4.5. Request for Confidential Treatment.**

A mortgage lender, broker, mortgage lender and broker, program administrator, and mortgage loan originator applicant may request that certain documents, or parts thereof, be treated confidentially. A request for confidentiality shall be in writing and made pursuant to ~~Section~~ section 250.10 of Article 1 of Subchapter 1 of these rules. If a request for confidential treatment is granted or denied, the person making such request will be notified in writing.

Note: Authority cited: Sections 22105.3 and 22150, Financial Code. Reference: Section 1798.24, Civil Code; and Sections 22105.1, 22105.3 and 22105.4, Financial Code.

**§ 1422.5. License Application through NMLS for Mortgage Lenders, Mortgage Brokers, and Mortgage Lenders and Brokers.**

The procedures set forth in this section are applicable to any person ~~a mortgage lender, mortgage broker, and mortgage lender and broker~~ that is required to be licensed under Section section 22100, subdivision (a), or section 22100.5 of the Code, and that is required to use NMLS under section 1422.4 of these rules. Except as otherwise provided in ~~Subchapter~~ subchapter 6 of these rules, a ~~mortgage lender, mortgage broker, and mortgage lender and broker~~ are person subject to the requirements of this section and ~~are~~ is not subject to the requirements of ~~Section section~~ section 1422 of ~~Subchapter 6 of these rules.~~

(a) INITIAL APPLICATION: The application for a license as ~~a mortgage lender,~~

office license in accordance with ~~Section~~ section 1424 of ~~Subchapter 6~~ of these rules.

(3) (A) An applicant shall provide the names, personal history, and experience of individual applicants, officers, directors, managing members (in the case of a limited liability company), general and managing partners (in the case of a partnership), and individual control persons (both direct and indirect) of the applicant through NMLS on Form MU1 within the “~~Directors~~ Direct Owners and Executive Officers” and “Indirect Owners” section sections, as applicable, and on Form MU2. For purposes of this section, an individual control person shall include (i) an individual who owns 10 percent or more of the outstanding interests or the outstanding equity securities of the applicant, and (ii) an officer, director, managing member, or partner of an entity who owns 10 percent or more of the outstanding interests or the outstanding equity securities of the applicant, if that individual has the power to direct the management or policies of the applicant’s lending activities or PACE program administration in this state.

(B) An applicant shall provide the names, personal history, and experience of the individuals in charge of each place of business through NMLS on Form MU1 within the “Qualifying Individuals” section and on Form MU2.

(A) 1. The named individuals in Form MU1, for whom a Form MU2 has been filed, shall provide authorization for, and subsequent delivery of, fingerprints to NMLS or the California Department of Justice, or both, as applicable.

(B) 2. An applicant shall pay all fees required for the criminal history background check.

(C) Under section 8 of Form MU2, a credit report is not required for the individuals submitting the form.

lending activity of the applicant:

1. The intended sources of capital.
2. The intended market for the loans, including the credit worthiness of intended borrowers.
3. The intended methods for marketing the loans.
4. The anticipated terms of the loans.
5. The methods for disbursing funds to the borrower.
6. Any products or services offered or required in connection with the loans.
7. Any cobranding or joint agreements with other organizations related to the making of the loans.
8. Whether the applicant intends to retain or sell the loans, in whole or in part, and the intended purchasers, if applicable.
9. Whether any other business is solicited or engaged in at the same place as the proposed lending activity.
10. Whether, and to what extent, the applicant intends to use third parties to perform any of its lending functions, such as marketing, underwriting, servicing, or any other functions.

(B) For persons engaged in the business of administering a PACE program, the business plan must at a minimum provide the following information:

1. The intended sources of capital.
2. The intended market for the PACE financing, including the credit worthiness of intended property owners.

outstanding equity securities of the applicant, where additional information is necessary to investigate the applicant or owners, including to demonstrate that the applicant satisfies the California Financing Law and no facts constituting reasons for denial are present.

(8) An applicant shall submit to NMLS a management chart displaying the applicant's directors, officers, and managers, including individual names and titles.

~~(7)~~ (9) An applicant shall submit directly to the Commissioner evidence of the surety bond required by section 22112 of the Code through NMLS, utilizing the NMLS electronic surety bond function and form, in accordance with Section section 1437 of Subchapter 6 of these rules.

~~(8)~~ (10) If an applicant intends to solicit or engage in any other business within the place of business where the applicant conducts the business of making loans or administering a PACE program, activity not specified in Items 4 and 5 of Form MU1, the applicant shall submit this information through NMLS directly to the Commissioner.

~~(9)~~ (11) A business entity applicant shall submit upload the following documents directly to NMLS for transmission to the Commissioner:

(A) A corporate applicant shall ~~submit an original~~ upload a certificate of qualification or good standing from the California Secretary of State executed not more than sixty days before the filing of the application. The certificate must show that the applicant is authorized to transact business in the State of California.

(B) A foreign corporation shall ~~submit an original~~ upload a certificate of qualification or good standing from the Secretary of State of the state of incorporation executed not more than sixty days before the filing of the application, showing that the

provided pursuant to this paragraph shall constitute an agreement to comply with the requirements of the California Finance Lenders Financing Law.

(15) An applicant shall submit an Execution Section as set forth in the California Financing Law license application in subdivision (b) of section 1422 of these rules, executed in accordance with the instructions in that section.

(16) An applicant shall establish a designated email address by registering for a DFPI Self-Service Portal Account through the Department of Financial Protection and Innovation's website at www.dfpi.ca.gov. The email account shall be established and monitored in accordance with the requirements in Financial Code section 331.5 and Item Number 12 of the California Financing Law Application in subdivision (b) of section 1422 of these rules. The email address shall be provided directly to the Commissioner.

(b) FILING FEE: Pursuant to ~~Section~~ Financial Code section 22103 of the Financial Code, application fees (\$200), investigation fees (\$100) and fingerprint processing fees (\$20 per set to the Department of ~~Corporations~~ Financial Protection and Innovation, plus Department of Justice and Federal Bureau of Investigation fees, as applicable) related to the fingerprint and criminal background checks, shall be paid through NMLS for transmission to the Commissioner. The payment of fingerprint processing fees shall be filed directly with the Commissioner until such time as the NMLS can accept the fee. Fees are not refundable.

(c) COMPLETION OF FILING and ISSUANCE OF LICENSE: An application for licensure ~~as a mortgage lender, mortgage broker, or mortgage lender and broker~~ submitted through NMLS is not deemed complete until all required fees, all required submissions, and all background and investigative reports are received by the

accurate.

(6) An organizational chart, unless the organizational chart previously submitted to the Commissioner is no longer accurate.

(7) A management chart, unless the management chart previously submitted to the Commissioner is no longer accurate.

(8) A certificate of qualification or good standing.

(9) A partnership agreement.

(10) An Execution Section as set forth in the California Financing Law license application in subdivision (b) of section 1422 of these rules.

Note: Authority cited: Section 22150, Financial Code. Reference: Sections 17900, 17910, 17913 and 17926, Business and Professions Code; Section 1798.17, Civil Code; Section 7473, Government Code; Sections 331.5, 22000, 22100, 22100.5, 22101, 22101.5, 22102, 22103, 22104, 22105, 22105.2, 22106, 22107, 22108, 22109.6, 22112, 22153, 22154, 22156, 22157, 22159 and 22170, Financial Code; Section 17520, Family Code; and Section 11077.1, Penal Code.

**§ 1422.5.1. License Application Requirements for Program Administrators.**

(a) In addition to the requirements for a license application set forth in section 1422.5 of these rules, a program administrator shall submit the following to the Commissioner.

(1) A copy of each central administration agreement between the applicant and a public agency that authorizes the applicant to administer a PACE program on behalf of the public agency.



STATE OF CALIFORNIA  
DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION

PACE PROGRAM ADMINISTRATOR APPLICATION

Request for Information

NAME OF APPLICANT \_\_\_\_\_

Applicants for a PACE program administrator license must answer the following questions.

1. Will you develop and implement policies and procedures for responding to questions and addressing complaints of property owners, in compliance with Financial Code section 22683 and any currently operative rules of the Commissioner?

Yes ☐

No ☐

2. Will you maintain a process for enrolling PACE solicitors and PACE solicitor agents in compliance with Financial Code section 22680 and any currently operative rules of the Commissioner?

Yes ☐

No ☐

3. Will you comply with the requirement in Financial Code section 22684 that prohibits a program administrator from executing an assessment contract unless the criteria in that section are met?

Yes ☐

No ☐

4. Will you comply with the requirement in Financial Code section 22686 that prohibits a program administrator from executing an assessment contract unless the program administrator makes a reasonable good faith determination that the property owner has a reasonable ability to pay the annual payment obligations for the PACE assessment, in accordance with Financial Code section 22687?

Yes ☐

No ☐

5. Will you comply with the requirements in sections 5898.16 and 5898.17, and chapter 29 of part 3, division 7 of the Streets and Highways Code, including section 5913, which requires a program administrator to make an oral confirmation with a property owner of

(b) An applicant or licensee shall maintain the original signed PACE Program Administrator Application Request for Information form in its books and records as provided in section 1620.07 of these rules.

Note: Authority cited: Section 22150, Financial Code. Reference: Sections 22100.5, 22101, 22680, and 22681, Financial Code.

**§ 1422.6.2. Evidence of Financial Responsibility.**

(a) The Commissioner's finding required by ~~Section~~ section 22109.1, subdivision (c) of the California ~~Finance Lenders~~ Financing Law relates to any matter, personal or professional, that may impact upon an applicant's propensity to operate honestly, fairly, and efficiently when engaging in the role of a mortgage loan originator.

(b) An applicant for a mortgage loan originator license shall authorize NMLS to obtain the applicant's current credit report. The credit report will be used as needed to validate the applicant's responses to the electronic application form, in order to support the Commissioner's finding required by ~~Section~~ section 22109.1, subdivision (c) of the California ~~Finance Lenders~~ Financing Law.

(c) An applicant may be precluded from obtaining a mortgage loan originator license where his or her personal history includes:

(1) Any liens or judgments for fraud, misrepresentation, dishonest dealing, and/or mishandling of trust funds, or

(2) Other liens, judgments, or financial or professional conditions that indicate a pattern of dishonesty on the part of the applicant.

Note: Authority cited: Section 22150, Financial Code. Reference: Section 22109.1, Financial Code.

**§ 1422.10. Surrender of License Through NMLS as a Mortgage Lender, Mortgage Broker or Mortgage Loan Originator.**

(a) A licensee on NMLS shall file an ~~An~~ application to surrender a license as a ~~mortgage lender, mortgage broker, mortgage lender and broker, or mortgage loan originator~~ shall be filed on Form(s) MU1, MU3, and MU4 through NMLS in accordance with its procedures for transmission to the Commissioner. Upon approval of the surrender by the Commissioner, a licensee that sponsors one or more mortgage loan originator shall ~~amend every branch office application Form MU3 and~~ terminate the sponsorship of all mortgage loan originators.

(b) To surrender a branch office license, a licensee shall file an amendment to Form MU3 in accordance with the instructions on the form for surrendering a branch office license.

Note: Authority cited: Section 22150, Financial Code. Reference: Sections 22107, ~~and 22108,~~ and 22700, Financial Code.

**§ 1422.12. Challenge Process for Information Entered Into NMLS.**

(a) If an applicant or licensee disputes the accuracy or completeness of any material information entered into and maintained by NMLS, the applicant or licensee may submit a written request to the Commissioner to the attention of the Special Administrator, California ~~Finance Lenders~~ Financing Law, Department of ~~Corporations~~ Financial Protection and Innovation, 320 West 4<sup>th</sup> Street, Suite 750, Los Angeles, CA 90013-2344. For purposes of this section, a "licensee" includes a mortgage loan originator.

(b) The request shall include the applicant or licensee's name, unique identifier, a statement of the alleged inaccuracy or incompleteness of the information entered into

Financial Code.

**§ 1423. Short Form Application for Licensees Seeking Additional Location**

**License; Form.**

(a) Except as provided in section 1424 of these rules, the The application for a licensee seeking an additional location license pursuant to Financial Code section 22102, subdivision (b) ~~Section 22102(b)~~ shall be filed upon the form set forth in subdivision (b) of this section. An applicant under this section must currently hold a valid finance lender or broker license pursuant to Financial Code ~~Sections~~ sections 22100 and 22101.

(b) An application for a licensee as set forth in subdivision (a) shall be submitted to the Commissioner of ~~Business Oversight~~ Financial Protection and Innovation on the following form:

State's office to use an assumed name for all business they conduct in California. These entities should provide that assumed name as the "Name of Applicant" and may only use that name. These entities are not permitted to use a fictitious business name.

### **Fictitious Business Name:**

An applicant that intends to conduct ~~CFL~~ CFL business under a fictitious business name that is different from its legal name should provide the fictitious business name here. Provide the name that appears on the Fictitious Business Name Statement as filed with the county clerk.

The use of a fictitious business name is not permitted for a new location unless the Department of ~~Business Oversight~~ Financial Protection and Innovation has already approved the use of that name. If the fictitious business name has not been approved by the Department of ~~Business Oversight~~ Financial Protection and Innovation, approval of a new fictitious business name may be requested from the Department of ~~Business Oversight~~ Financial Protection and Innovation by submitting under separate cover a copy of the Fictitious Business Name Statement with the "filed stamp" from the county clerk's office. The applicant's name must appear as a registrant on the Fictitious Business Name Statement. This document should be forwarded along with a written request to ~~CFL~~ CFL Licensing Specialist, Department of ~~Business Oversight~~ Financial Protection and Innovation, 320 West 4<sup>th</sup> Street, Suite 750, Los Angeles, California 90013. Applicants who intend to conduct business under a fictitious business name are required to comply with the rules governing the filing of a fictitious business name as set forth in Business and Professions Code ~~Section~~ section 17900 et seq.

### **ITEM NUMBER 2 OF APPLICATION:**

#### **Applicant's Licensed Place of Business:**

Provide the applicant's complete proposed place of ~~CFL~~ CFL business, including number and street, city, county, state, zip code, telephone number, and fax number.

### **ITEM NUMBER 3 OF APPLICATION:**

#### **Individual in Charge of this Location:**

Each office must have a person who is in charge. Provide the full name of the individual who will be in charge of this location. If the applicant has no middle name, indicate, e.g. "John [no middle name] Smith."

#### **Statement of Identity and Questionnaire:**

The individual named in Item Number 3 of the application must complete and submit a Statement of Identity and Questionnaire. If a Statement of Identity and Questionnaire has already been provided to the Department for the individual named in Item Number 3, there is no need to complete the form. The same individual cannot be in charge of multiple locations, and each location must have an individual in charge.

The 10-year employment and residence history in the Statement of Identity and Questionnaire must be complete and accurate. Attach copies of all pertinent court and other documents requested. The Statement of Identity and Questionnaire must be notarized if executed outside the State of California. Submit the Statement of Identity and Questionnaire with the fingerprint information and the cost of

### **Applicant's Plan of Business:**

Mark the appropriate box with either a "yes" or "no" response to indicate if there has been any change in the plan of business of making or brokering loans or other business that was previously submitted to the Department of ~~Business Oversight~~ Financial Protection and Innovation. If "yes", explain the change.

### **ITEM NUMBER 5 OF APPLICATION:**

#### **Applicant's License Number:**

Provide the existing license number and address of at least one other ~~CFL~~ CFL license currently held by the applicant.

### **ITEM NUMBER 6 OF APPLICATION:**

#### **Responsible Officer or Compliance Person:**

Provide the name, title, address, email address, and telephone number of the contact person to whom questions regarding the filing of this application should be directed. The responsible officer or compliance person must be from the main office of the company, and may not be a branch manager.

### **EXHIBITS:**

#### **EXHIBIT A (Social Security Number or Federal Taxpayer Identification Number):**

Individuals (sole proprietors) applying for a license must provide their social security number. Corporations, partnerships, limited liability companies and other business entities, except sole proprietorships, applying for a license must provide the federal taxpayer identification number. Label the document as Exhibit A.

The Department of ~~Business Oversight~~ Financial Protection and Innovation is required to collect ~~from all applicants~~ social security numbers from all applicants under Family Code ~~Section~~ section 17520, and social security numbers or federal taxpayer identification numbers under Business and Professions Code ~~Section~~ section 494.5. The social security number or federal taxpayer identification number is used to match the information to the names on the list provided by the Department of Child Support Services under Family Code ~~Section~~ section 17520, and the lists of tax delinquencies provided by the State Board of Equalization and the Franchise Tax Board under Business and Professions Code ~~Section~~ section 494.5. Any disclosed social security numbers and federal taxpayer identification numbers in the completed application will be considered confidential information and will be filed and maintained as part of the confidential records not subject to public inspection. Refer to Commissioner's Release 2-G for further information concerning privacy protection of personal information.

#### **EXHIBIT B (Not Applicable)**

#### **EXHIBIT C (Statement of Identity and Questionnaire):**

Provide for the individual named in Item 3, a Statement of Identity and Questionnaire. If applicable, provide fingerprint information and the cost of fingerprint processing.

STATE OF CALIFORNIA  
DEPARTMENT OF ~~BUSINESS OVERSIGHT~~ FINANCIAL PROTECTION AND  
INNOVATION

"SHORT FORM APPLICATION"

FOR A LICENSE UNDER THE

CALIFORNIA ~~FINANCE LENDERS~~ FINANCING LAW

FOR A LICENSEE CURRENTLY HOLDING ONE OR MORE LICENSES

This application must be accompanied by a nonrefundable application fee of \$200 and a nonrefundable investigation fee of \$100. (~~Financial Code Section~~ Fin. Code, § 22103.) The application (together with the fees payable to the Department of ~~Business Oversight~~ Financial Protection and Innovation) must be filed ONLY in the Los Angeles office of the Department of ~~Business Oversight~~ Financial Protection and Innovation, located at 320 West 4<sup>th</sup> Street, Suite 750, Los Angeles, CA 90013.

A licensee seeking to engage in business at a new location must submit this application to the Commissioner of ~~Business Oversight~~ Financial Protection and Innovation by certified mail, return receipt requested, at least 10 days before engaging in business at the new location.

A license issued pursuant to the California ~~Finance Lenders~~ Financing Law permits only employees to work under the license. Persons engaged in lending that are not employees may need to obtain a license under the California ~~Finance Lenders~~ Financing Law. In addition, a license issued pursuant to the California ~~Finance Lenders~~ Financing Law does not permit a licensee to authorize locations operated by persons other than employees of the licensee under some form of franchise or license agreement (e.g., net branching).

1. Name of applicant: \_\_\_\_\_

Fictitious Business Name (FBN): \_\_\_\_\_  
(FBN must already be on file with the Department. [~~Financial Code Section 22102(e)~~ Fin. Code, § 22102, subd. (e).])

(If the applicant seeks to do business under an FBN that has not been previously approved by the Department of ~~Business Oversight~~ Financial Protection and Innovation (Department), additional information ~~will need to~~ must be submitted under separate cover. Use of a new proposed FBN is not allowed until such time as written approval is received from the Department approving the use of such name. Approval of a new FBN may be requested by submitting under separate cover a

instructed. The name of the person must be a responsible officer or compliance person from the main office of the company. The name of the branch manager does not belong here.

Attention: \_\_\_\_\_

(Name)

(Title)

(Number and Street)

(City)

(State)

(Zip Code)

(Email Address)

(Telephone Number)

### REQUIRED EXHIBITS:

#### EXHIBIT A (Social Security Number or Federal Taxpayer Identification Number):

If the applicant is an individual (sole proprietor), provide the applicant's social security number, or the federal taxpayer identification number if the applicant is a business entity other than a sole proprietorship. Label the document as Exhibit A.

#### EXHIBIT B (Not Applicable)

#### EXHIBIT C (Statement of Identity and Questionnaire):

~~Provide for~~ For the individual named in Item 3, provide a Statement of Identity and Questionnaire. If applicable, provide fingerprint information and the cost of fingerprint processing.

In the event of the issuance of a license, applicant agrees to comply with the requirements of the California ~~Finance Lenders Financing~~ Law and rules adopted, and orders issued, by the Commissioner of ~~Business Oversight~~ Financial Protection and Innovation, and further agrees that in the event of any change of its officers, directors, or any other persons named in this application, that an amendment to the application containing the same information in relation to the new person(s) as is required in the application shall be filed with the Commissioner of ~~Business Oversight~~ Financial Protection and Innovation within thirty days from the date of the change. (~~California Code of Regulations Section 1409 (10 C.C.R. Cal. Code Regs., tit. 10, § 1409.)~~)

WHEREFORE, applicant requests that a license be issued by the Commissioner of ~~Business Oversight~~ Financial Protection and Innovation authorizing applicant to engage in business under the California ~~Finance Lenders Financing~~ Law within the State of California.

If the proposed location in Item Number 2 is out-of-state, applicant agrees to make its books and records available in this state, or pay the reasonable expenses incurred during an investigation or examination outside this state.

The applicant has duly caused this application to be signed on its behalf by the undersigned, thereunto



**§ 1424. Branch Office License Instructions for ~~Mortgage Lenders~~ Licensees and Applicants Filing Through NMLS.**

(a) A ~~mortgage lender, broker, or mortgage lender and broker~~ finance lender, broker, or program administrator licensee on NMLS that seeks to engage in business at an additional location must submit an application for a branch office license by submitting Form MU3 (~~Uniform Mortgage~~ NMLS Branch Office Form) in accordance with the instructions of NMLS for transmission to the Commissioner at least ten days (10) before engaging in business at the location.

(b) An applicant on NMLS that intends to conduct business at the branch office under a fictitious business name not already approved by the Commissioner shall submit a copy of the Fictitious Business Name Statement with the “filed stamp” from the county clerk’s office and may not use the name until the Commissioner approves the use of the name.

(c) An applicant shall indicate each branch manager as a branch manager on Form MU3 and submit to NMLS a Form MU2 (~~Biographical Statement & Consent Uniform Mortgage Lender/Mortgage Broker~~ NMLS Individual Form) for each branch manager.

(1) Each branch manager shall provide authorization for, and delivery of, fingerprints and related information to NMLS and the California Department of Justice, as applicable.

(2) Each location must have a branch manager and the same individual may not be a branch manager of multiple locations.

(d) The Commissioner may request that additional information, documentation or detail pertaining to the branch office application be filed directly with the Commissioner.

(e) Application, investigation, and criminal history background check fees shall be paid

**§ 1426. Same: Standard for Keeping.**

A finance company licensee shall maintain its books, accounts and records in accordance with generally accepted accounting principles and good business practice.

Note: Authority cited: Section 22150, Financial Code. Reference: Sections 22156, 22157 and 22709, Financial Code.

**§ 1437. Surety Bond.**

Every finance company licensee shall maintain a surety bond in accordance with ~~Section~~ section 22112 of the Financial Code as follows:

(a) A finance company licensee that does not make residential mortgage loans and does not employ one or more mortgage loan originators shall post a surety bond in the amount of \$ 25,000.

(b) A mortgage lender, mortgage broker, or mortgage lender and broker shall post a surety bond based on the aggregate dollar amount of residential mortgage loans originated by the mortgage lender, mortgage broker, mortgage lender and broker in the preceding year, as follows:

Aggregate Loans	Bond Amount
0 - \$ 1,000,000	\$ 25,000
\$ 1,000,001 - \$ 50,000,000	\$ 50,000
\$ 50,000,001 - \$ 500,000,000	\$ 100,000
Over \$ 500,000,001	\$ 200,000

(c) (1) The surety bond shall be in the form provided as Exhibit B to the application for a license as a finance lender or broker in ~~Section~~ section 1422 of Subchapter 6 of these rules, unless the applicant or licensee is filing through NMLS.

Obligors any and all monies that may become due or owing to the Commissioner, and to such person or persons from said Obligors under and by virtue of the provisions of the California Financing Law, then this obligation to be void; otherwise to remain in full force and effect until the Surety is released from liability by the Commissioner, subject, however, to the following conditions:

1. The Surety may reduce coverage by amending the effective date or the bond amount, or may cancel this bond thirty days from date of receipt of notice delivered electronically through NMLS to the Principal and the Commissioner, but no such amendment or cancellation shall affect any liability which arises from acts or omissions which occur prior to the termination of such thirty-day period.

2. In no event shall the aggregate liability of the Surety for any and all claims exceed the penal sum of this Bond stated herein.

3. The Commissioner has the exclusive right to proceed on this bond against the Principal or Surety hereon or both to recover any and all moneys that may become due or owing.

In Witness Whereof, The said Principal has hereto set his hand and seal and the said Surety has caused this obligation to be duly executed by its duly authorized agent to be hereunto affixed on this [Day of Signatory Date] day of [Month of Signatory Date], [Signatory Year].

By: [Principal Signee]  
Principal

I certify under penalty of perjury under the laws of the State of California that I have executed the foregoing bond under an unrevoked power of attorney.

By: [Surety Signee]  
Surety

(d) A mortgage lender, mortgage broker, or mortgage lender and broker applicant without a prior year operating history shall make a good faith estimate of the aggregate amount of loans anticipated to be originated in the upcoming year to determine the amount of the surety bond.

Note: Authority cited: Section 22150, Financial Code. Reference: Section 22112, Financial Code.

announcements is retained for the aforesaid prescribed time by the broadcasting station or stations and is available to the commissioner, a licensee finance company shall cause a voice transcription of the full text of such announcements to be prepared and retained for two (2) years after the last date of its use.

(d) Any advertising used by a mortgage loan originator shall be maintained by the sponsoring mortgage lender, mortgage broker, or mortgage lender and broker, in the manner set forth in this section.

(e) For purposes of this section, a licensee finance company shall include a mortgage loan originator.

(f) A program administrator shall comply with the advertising requirements in article 15 of this subchapter 6 and not this section.

Note: Authority cited: Section 22150, Financial Code. Reference: Sections 22014 and 22166, Financial Code.

## **Article 15. PACE Program Administrators**

### **§ 1620.01. General.**

Articles 4, 5, 6, 7, 8, and 9 of this subchapter 6 are not applicable to a program administrator unless the program administrator is also engaged in business as a finance lender or broker.

Note: Authority cited: Section 22150, Financial Code. Reference: Sections 22003.5, 22004, 22009, 22015, 22016, 22017, and 22018, Financial Code.

### **§ 1620.02. Definitions.**

The following definitions are applicable to the administration of a PACE program.

(a)(1) "To solicit a property owner to enter into an assessment contract" includes, but

program may be identified by the name of a program administrator, the name of a program, or a description of PACE financing.

(d) "Maintain a license in good standing" or "maintain a registration in good standing" means that a license or registration is active and not expired, suspended, revoked, surrendered, conditioned, or otherwise in a status that in any manner restricts the activity of a licensee or registrant under the authority of the license. The status of a license or registration on the CSLB website that a license or registration is active, without any notice that the license or registration is expired, suspended, revoked, surrendered, conditioned, or restricted, constitutes the maintenance of a license or registration in good standing.

(e) "Extinguishment of a PACE assessment" means the property owner's obligations under an assessment contract have been satisfied or canceled and no further amount related to the PACE assessment will appear on the property owner's property tax bill.

(f) A "PACE solicitor" includes a contractor under chapter 29.1 of part 3 of division 7 of the Streets and Highways Code (beginning with section 5900), if that contractor also meets the definition of "PACE solicitor" in Financial Code section 22017.

(g) A "PACE solicitor agent" includes a third party under chapter 29.1 of part 3 of division 7 of the Streets and Highways Code (beginning with section 5900), if the third party also meets the definition of "PACE solicitor agent" in Financial Code section 22017.

(h) For purposes of paragraph (c)(4) of Financial Code section 22017, a "person who advertises a PACE program" is a person primarily engaged in the business of advertising and not a home improvement contractor, a home improvement salesperson,

provider to a program administrator or a public agency, they also contract with a public agency to arrange PACE financing for property owners.

(b) "PACE Solicitor" and "PACE solicitor agent" do not include any of the following:

(1) An employee or subcontractor of a PACE solicitor who is performing labor on a job site for a home improvement contract who is not authorized by a program administrator or PACE solicitor to solicit a property owner to enter into an assessment contract and does not solicit a property owner to enter into an assessment contract.

(2) A publisher of a bona fide newspaper, news magazine, or industry publication of general, regular, and paid circulation, and the employees thereof.

(3) A general Internet search engine, and the employees thereof, when providing search results to the public, whether or not the search results include paid advertising, and whether or not the search results or Internet advertisements are targeted based on traits of prospective consumers.

(4) Attorneys, financial advisors, assessment engineers or administrators, trustees or other paying agents, investors, joint powers authorities, public agencies, or staff of a public agency, when performing acts in their respective role as bond counsel, attorney, financial advisor, assessment engineer or administrator, trustee or other paying agent, investor, joint power authority, public agency, or staff of a public agency.

Note: Authority cited: Section 22150, Financial Code. Reference: Sections 22017 and 22018, Financial Code.

#### **§ 1620.05. Advertising Standards.**

(a) A program administrator shall not advertise PACE financing in a manner that is untrue, deceptive, or likely to mislead a property owner. A program administrator shall

Trade Commission's Telemarketing Sales Rule (16 C.F.R. §§ 310.1-310.9).

(7) Representing that the advertisement of PACE financing is from a government entity unless the advertising is in fact from a government entity or the representation is authorized by a government entity.

(8) Advertising that the program has an ending date, is available for a limited time, or is available to a limited number of property owners, unless the program has these characteristics.

(9) Engaging in blind advertising for a PACE program by failing to identify the program administrator or the PACE solicitor responsible for the advertisement.

(10) Making any written or oral communication in advertising that includes an untrue statement of a material fact about a PACE program, or omitting to state a material fact necessary to make the statements made about a PACE program, in the light of the circumstances under which the statements were made, not misleading.

(b) Every written advertisement by a program administrator shall disclose that the program administrator is not a government agency. The written advertisement shall disclose that the installation or construction of property improvements financed with a PACE assessment is provided through a home improvement contractor or other third-party provider, and not by the program administrator or a government entity.

(c) A program administrator may not advertise, on its website or otherwise, businesses or individuals approved by the program administrator to solicit property owners for PACE financing, unless the business or individual is enrolled by the program administrator as a PACE solicitor or PACE solicitor agent or not required to be enrolled.

(B) After correcting the misinformation, obtains and documents the affirmative response that the property owner seeks to proceed with the transaction.

Note: Authority cited: Section 22150, Financial Code. Reference: Sections 22161, 22162, 22163, 22164, 22165, and 22166, Financial Code.

**§ 1620.06. Assessment Contracts and Disclosures.**

(a) (1) A program administrator shall provide a property owner the Right to Cancel disclosure required under Streets and Highways Code section 5898.16 as a printed paper copy unless the property owner agrees to an electronic copy.

(2) A program administrator shall provide a property owner with the Financing Estimate and Disclosure required under Streets and Highways Code section 5898.17 as a printed paper copy unless the property owner opts out of receiving a printed paper copy in writing by signing a printed paper document.

(3) If a program administrator obtains the consent of the property owner to enter into the assessment contract electronically, that consent shall be obtained in a manner that demonstrates that the property owner can access the information in the electronic form that will be used to provide the information that is the subject of the consent.

(4) If a program administrator obtains the consent of the property owner to receive a copy of the signed assessment contract solely in an electronic format, this consent shall be obtained by the program administrator in a written document separate from the assessment contract and in a manner that demonstrates that the property owner can access the information in the electronic form.

(5) A program administrator shall make a printed paper copy of the assessment contract available to the property owner upon request.



save, and print on 8 ½ x 11-inch paper.

(5) The program administrator shall advise the property owner to print, read, and save a physical copy of the documents, and to save an electronic copy of the documents.

(6) The program administrator shall advise the property owner that the property owner may request a printed copy of the documents and shall provide a property owner with the printed copy of the documents upon request.

(7) The program administrator shall retain evidence in its records that the documents were received electronically by the property owner. The evidence may be obtained during the oral confirmation of this information under paragraph (e)(1) of this section or through another method determined by the program administrator.

(c) If the disclosure documents in paragraphs (a)(1) and (a)(2) are provided attached to the assessment contract, the disclosure documents must be in front of the contract but may be preceded by a cover letter or other introductory information.

(d) (1) The program administrator shall take reasonable steps to ensure the signature belongs to the property owner.

(2) If a signature is not notarized, the program administrator shall confirm the signature of the property owner through the process identified in subparagraph (A) of this paragraph in addition to one or more of the processes identified in subparagraphs (B) through (D) of this paragraph.

(A) Confirming the identity of the property owner through photo or other unique identification presented by the property owner or a two-step authentication process.

(B) Tracking IP geolocation information.

(4) A program administrator may not proceed with the oral confirmation if the property owner objects to the presence of the PACE solicitor agent and the PACE solicitor agent remains present.

(f) For purposes of confirming that the efficiency improvement being installed is being financed by a PACE assessment as required by subparagraph (a)(2)(C) of Streets and Highways section 5913, the program administrator shall confirm with the property owner that the scope of work subject to PACE financing in the assessment contract is included in the scope of work in the home improvement contract.

(g) A program administrator shall provide in writing to every property owner who enters into an assessment contract the Department of Financial Protection and Innovation's consumer services toll-free number ((866) 275-2677), email address (Ask.DFPI@dfpi.ca.gov), and website (dfpi.ca.gov).

Note: Authority cited: Section 22150, Financial Code. Reference: Sections 22001 and 22161, Financial Code; Sections 5898.16, 5898.17, and 5913, Streets and Highways Code.

#### **§ 1620.07. Books and Records.**

(a) A program administrator shall maintain its books, records, and accounts physically at or digitally accessible from its main licensed location in California.

(b) The records required to be maintained shall, at a minimum, include the following:

(1) Records related to the business of a program administrator, including the following:

(A) A program administrator's financial statements prepared in accordance with generally accepted accounting principles.

1. If a signed copy is provided electronically to the property owner, evidence of receipt by the property owner.

2. If the assessment contract is signed electronically by the property owner, the audit trail related to the electronic signature.

(B) Any complaints and final decisions.

(C) Documentation of ability to pay for each assessment contract, including verification of a property owner's eligibility for an assessment contract.

(D) Oral confirmation of key terms records.

(E) Disclosures required by Streets and Highways Code sections 5898.16 and 5898.17 and, if provided electronically, documentation of the property owner's consent to receive the documents electronically, and evidence of receipt of the disclosures by the property owner.

(F) Evidence of the market value of the property at the time of the assessment contract, including the documentation required by section 1620.27 of these rules.

(G) A record of the estimated useful life of the measure with the greatest portion of funds disbursed under the assessment contract in accordance with subdivision (j) of Financial Code section 22684.

(H) The sources used to verify the criteria in Financial Code section 22864, if required under section 1620.29 of these rules.

(I) Documentation of the scope of work subject to PACE financing from the home improvement contract.

(J) Any correspondence with any other lienholder on the property.

(B) A program administrator must maintain the records in paragraphs (b)(2)(B) through (b)(2)(J) for at least five years after the consummation of a PACE assessment.

(4) A program administrator must keep advertising in paragraph (b)(3) for two years from the date of publication.

(5) A program administrator must maintain the records in paragraphs (b)(4) and (5) during the period of licensure.

Note: Authority cited: Section 22150, Financial Code. Reference: Sections 22157, and 22166, Financial Code; Sections 5898.16, 5898.17, and 5913, Streets and Highways Code.

#### **§ 1620.08. Complaint Processes and Procedures.**

(a) Every program administrator shall develop and implement policies and procedures for responding to questions and addressing complaints in compliance with this section. The procedures shall include a complaint process under which a property owner may submit a complaint to the program administrator and receive a final decision.

(1) The complaint process shall provide for the consideration, and as applicable, investigation of the issues raised in the complaint, and the final decision of property owner complaints.

(2) (A) “Final decision” means that after due consideration and investigation, as necessary, of the issues raised in the complaint, the program administrator has reached a final conclusion on the subjects of the complaint and any request contained therein and has notified the property owner. This definition does not restrict in any way a property owner’s right or ability to continue to pursue a complaint through any means available under law.

information readily available to the program administrator, but may require addition time for research or coordination with other parties. If the response will take longer than one day, the program administrator shall notify the property owner within 24 hours or one working day.

(D) If the response to an inquiry, question, request, or criticism involves a decision by the program administrator about how to respond to factual allegations of a mistake or wrongdoing related to the PACE financing, then the matter is a complaint subject to subdivision (b).

(4) A complainant may authorize a representative to represent the complainant in communications with the program administrator throughout the complaint process. All of the obligations towards a complainant in this rule shall be applicable to a representative of the complainant.

(b) The complaint initiation process shall include the following characteristics.

(1) The complaint process shall include a procedure to provide a property owner with notice of how to contact the program administrator with a complaint.

(A) The notice must be in a form that may be maintained physically or electronically by the property owner. The information provided in the Financing Estimate and Disclosure document under Streets and Highways Code section 5898.17 complies with this requirement if the program administrator's telephone number and customer service email address are provided in the form and the form may be maintained physically or electronically by the property owner.

(B) The information regarding how to submit a complaint must be maintained on the program administrator's website. The website shall include both the toll-free

(C) The acknowledgment may be combined with the resolution of the complaint if the complaint can be resolved within the time period for the acknowledgment.

(3) The program administrator shall make the complaint process available to a complainant in the language used to communicate during the oral confirmation under subdivision (d) of Streets and Highways Code section 5913, the language of the assessment contract, and, if supported by the program administrator, the property owner's preferred language.

(c) The complaint process shall include a procedure for communicating with a property owner regarding the status of the complaint.

(1) If a complainant contacts the program administrator, including through the toll-free telephone number or customer service email address, for a status update, the program administrator shall ordinarily respond to the complainant within three business days.

(d) The complaint process shall include a procedure for tracking open and closed complaints.

(1) The procedure must include a process for recording the status of a complaint.

(A) The tracking shall be in a format that is accessible to the Department upon request.

(2) The complaint process shall include target dates for actions and resolution.

(A) The investigation of a complaint should ordinarily not require more than thirty days.

(e) The program administrator shall notify the property owner upon a final decision and a closing of the complaint.

(1) The program administrator shall correct errors identified during the review of the complaint that occurred in the making of the assessment contract or the administering of the PACE assessment. This paragraph shall not be applicable for any error made by the property owner that was not the result of fraud or forgery.

(A) If the program administrator determines an error occurred in the making of the assessment contract or the administering of the PACE assessment as provided in paragraph (1), the program administrator shall correct the error and notify the complainant of the correction, the effective date of the correction, and the contact information for further assistance.

(B) If after considering the complaint and conducting an investigation, as necessary, the program administrator concludes no error occurred with respect to the making of the assessment contract or the administering of the PACE assessment, the program administrator shall notify the complainant of its final decision, the reasons for the decision, and the contact information for further assistance or to seek reconsideration of the complaint.

(C) 1. The program administrator shall maintain a process where a property owner may request the reconsideration of a final decision in a complaint.

2. The reconsideration shall not be conducted by the same person who issued the final decision, and the person reconsidering the complaint must have authority to reverse the final decision.

(B) The written notification of the final decision and closure of a complaint shall include the following: "If you have any concerns regarding your complaint, you may contact the Department of Financial Protection and Innovation at (866) 275-2677 or online at dfpi.ca.gov." The program administrator shall also provide the information in subsection (e)(1)(B), if required by that subdivision.

(4) For purposes of this subdivision, "error" means a mistake; the state of being wrong in conduct or judgment.

Note: Authority cited: Section 22150, Financial Code. Reference: Section 22683, Financial Code; Section 5898.17, Streets and Highways Code.

#### **§ 1620.10. Dishonest Dealings and Misleading Statements.**

(a) The following constitute dishonest dealings by a program administrator under Financial Code section 22161. This list is not exhaustive of all activities that constitute dishonest dealings by a program administrator.

(1) Disclosing to a PACE solicitor or PACE solicitor agent the amount of PACE financing available to a property owner.

(2) Paying a PACE solicitor for work that is financed through an assessment contract that a program administrator knows or should have known is unperformed. For purposes of this paragraph, a determination of whether work is performed shall be consistent with Business and Professions Code section 7159.5, paragraph (a)(5).

(3) Making the final payment on an assessment contract to a PACE solicitor when the program administrator knows or should have known that a product financed through an assessment contract is uninstalled.

(A) For purposes of this paragraph, a warranty shall not constitute an



of the California Energy Commission's rules.

(6) Representing to a property owner that a PACE assessment will result in a tax credit or tax benefit unless the representation is consistent with written representations, statements, or opinions of the Internal Revenue Service or applicable state tax agency about the tax treatment of a PACE assessment.

(7) Failing to complete the scope of work under a home improvement contract that is financed by the assessment contract.

(8) Representing to a property owner that a home improvement that is not an efficiency improvement may be financed through a PACE assessment, or otherwise provided to a property owner for free or at a nominal cost, because the property owner enters into an assessment contract.

(9) Misrepresenting to a property owner whether the property owner will be obligated to pay for the efficiency improvements financed through the assessment contract.

(10) Stating to the property owner that the assessment contract will transfer to the buyer upon the sale of the property, unless the property owner is also informed at the same time that often lenders will require the remaining balance under the assessment contract to be paid before financing or refinancing a property.

(11) Representing that an efficiency improvement will result in an increase in a property's market value, unless evidence supports the representation and the representation is otherwise lawful.

(12) Misleading the property owner about the overall cost of the assessments.

(13) Retaliating against a property owner for canceling the assessment

**§ 1620.11. PACE Solicitor Enrollment Standards and Processes.**

(a) Every program administrator shall establish and maintain a written process for enrolling a PACE solicitor that complies with the requirements of this rule.

(1) A program administrator may not authorize a PACE solicitor or a PACE solicitor agent to solicit a property owner to enter into an assessment contract until the program administrator enrolls the PACE solicitor and PACE solicitor agent.

(2) A program administrator may not fund a home improvement contract if the PACE financing was solicited by a person not enrolled as a PACE solicitor or PACE solicitor agent, unless the person was not required to be enrolled as a PACE solicitor or PACE solicitor agent at the time of solicitation.

(b) The written enrollment process must include, at a minimum, the following requirements:

(1) Provisions requiring an enrolled PACE solicitor to maintain in good standing any license or registration from the Contractors' State License Board required by law.

(2) Provisions requiring an enrolled PACE solicitor to comply with the laws regarding PACE programs applicable to the activities of PACE solicitors, including but not limited to those set forth in division 7 of the Streets and Highways Code, division 16 of the Public Resources Code, and division 9 of the Financial Code.

(3) Provisions that restrict enrollment to PACE solicitors that agree to comply with the following requirements:

(A) 1. An enrolled PACE solicitor may only solicit a property owner to enter into an assessment contract arranged by the program administrator to finance efficiency

contract unless the criteria set forth in Financial Code section 22684 are satisfied.

(D) The PACE solicitor will be responsible for the actions of a PACE solicitor agent when the agent is acting on behalf of the PACE solicitor. This provision does not affect any responsibility a program administrator may otherwise have for the acts of a PACE solicitor or a PACE solicitor agent.

(E) The PACE solicitor will require each PACE solicitor agent employed or retained by the PACE solicitor to undertake the training and testing required by Financial Code section 22681.

(F) The PACE solicitor will notify the program administrator of property owner inquiries and complaints regarding the assessment contract and the home improvement contract that are unresolved to the property owner's satisfaction for a month or more.

(G) The PACE solicitor will not make any statement or representation in regard to a PACE program that the PACE solicitor knows, or reasonably should have known, to be false, misleading, or deceptive, or that omits material information that is necessary to make any statement made not false, misleading or deceptive.

(H) The PACE solicitor will only advertise a PACE program in accordance with the program administrator's procedures to prevent deceptive advertising and will maintain advertising of PACE financing as required by the program administrator to conduct a periodic compliance review.

(I) The PACE solicitor will notify the program administrator if the PACE solicitor knows that the property owner has sought, authorized, or obtained any other PACE assessment on the property.

(J) A PACE solicitor will maintain a process for responding to complaints

shall include a review of all of the current and past licenses and registrations the PACE solicitor holds or has held with the Contractors State License Board, to the extent this information is readily and publicly available.

(3) The program administrator shall establish standards for evaluating public information obtained pursuant to this rule to guide the program administrator in making any of the findings in subdivision (e) of Financial Code section 22680 in accordance with the requirements of section 1620.13 of these rules.

(A) The standards shall provide a benchmark for the program administrator to evaluate past civil and criminal actions, license or registration discipline, and consumer complaints involving the PACE solicitor that are related to the functions of a PACE solicitor.

(B) In establishing the standards, the program administrator shall consider the frequency of activity, the volume of the activity, whether the activity resulted in consumer harm, the time since the activity, evidence of rehabilitation, restitution, and accountability.

(4) The program administrator shall document the results of the review of publicly available information and maintain the documentation of findings in its books and records as required by section 1620.07 of these rules.

(d) (1) A program administrator shall notify the Commissioner of the enrollment, or cancellation or withdrawal of enrollment, of a PACE solicitor and a solicitor agent through a daily electronic transfer of data between 7:00 p.m. and 3:00 a.m. Pacific Standard Time.

(F) The daily transfer of data must include records for all enrolled, canceled, and withdrawn PACE solicitors and solicitor agents and is not limited to the records amended that day.

(2) (A) The data submitted in the .TXT file for PACE solicitors shall include the following required fields: the program administrator legal name, the name under which the program is marketed, the Nationwide Multistate Licensing System (NMLS) Unique Identifier of the program administrator, the PACE solicitor legal business name, the Contractors State License Board license number of the PACE solicitor or "exempt" if the PACE solicitor is not required to be licensed by the CSLB, the physical address of the PACE solicitor, the business phone number of the PACE solicitor, the primary business email address of the PACE solicitor, the status of the enrollment (whether enrolled or not enrolled); the tracking number used by the program administrator for the PACE solicitor, and a contact name and number for the PACE solicitor.

(B) The data shall include the following conditional fields: if the PACE solicitor is not required by CSLB to have a Contractors State License Board license, then the program administrator shall provide the federal Employer Identification Number (EIN) of the PACE solicitor; and if the enrollment status of the PACE solicitor is canceled or withdrawn, then the program administrator shall provide the date enrollment ended.

(C) The data shall include the following fields, if the following information is available to the program administrator and applicable to the PACE solicitor: the DBA of the PACE solicitor; the CSLB license classification of the PACE solicitor; the mailing address of the PACE solicitor; the business FAX number of the PACE solicitor; the business website of the PACE solicitor; the mobile phone number of the contact person

(4) The Commissioner may reject electronic records that fail to meet the formatting standard necessary to populate the Department's database, which shall include string, numeric, and date data types for the corresponding data fields, and shall notify the program administrator by email of any rejected records.

(5) A program administrator who receives notice of a rejected record shall correct the formatting deficiency and resubmit the record the following day in accordance with the electronic file transfer schedule in paragraph (d)(1).

Note: Authority cited: Section 22150, Financial Code. Reference: Sections 22017 and 22680, Financial Code; Section 5940, Streets and Highways Code.

**§ 1620.12. PACE Solicitor Agent Enrollment Standards and Processes.**

(a) Every program administrator shall maintain a written process for enrolling a PACE solicitor agent that complies with the requirements of this rule.

(b) The process for enrolling a PACE solicitor agent shall include a background check, which may be accomplished through any of the following methods:

(1) The program administrator may rely on a fingerprint background check conducted by the Contractors State License Board.

(2) The program administrator may utilize a third-party service that conducts background checks.

(3) The program administrator may conduct its own background check of a PACE solicitor agent.

(c) If a program administrator conducts its own background check of a PACE solicitor agent, that background check must meet the following requirements:

(1) The background check must identify whether the PACE solicitor agent

(2) A program administrator shall require a PACE solicitor agent to complete the introductory training required by subdivision (b) of Financial Code section 22681 and pass the associated test prior to soliciting a property owner to enter into an assessment contract on behalf of the program administrator.

(3) A program administrator shall require each PACE solicitor agent to complete six hours of education provided by the program administrator within three months of completing the program administrator's enrollment process.

(e) A program administrator may conditionally enroll a PACE solicitor agent if the program administrator complies with the following:

(1) The program administrator verifies that the PACE solicitor agent has applied for licensure or registration with the Contractors State License Board and the licensure or registration process is complete except for the applicant's fingerprint background check.

(2) The program administrator independently conducts a background check of the PACE solicitor agent through required disclosures of information in subdivision (b), a review of publicly available information, and a review of nonpublic information available to the program administrator, including the experience of other program administrators if available.

(3) The PACE solicitor agent has completed the introductory training and test required by Financial Code section 22681.

(4) The conditional enrollment time period does not extend beyond the Contractors State License Board approval or denial of licensure or registration.

solicitor will solicit assessment contracts in a manner that does not comply with applicable law, or a clear pattern of the PACE solicitor failing to timely receive and respond to property owner complaints regarding the PACE solicitor.

(b) A clear pattern may be evidenced by recurring complaints regarding the PACE solicitor that allege deception, misrepresentation, or omission, including where the complaints contain information that suggests a pattern of dishonest business practices.

(1) In considering whether a clear pattern of a dishonest business practices exists, the program administrator may consider the volume of complaints relative to the size of the PACE solicitor, the egregiousness of the alleged conduct, the PACE solicitor's response to the allegations, and the PACE solicitor's subsequent resolution of the complaints.

(2) A program administrator shall keep in its books and records documentation that it reviewed readily and publicly available information of consumer complaints about a PACE solicitor regarding dishonesty, misrepresentations, or omissions, and its findings. If the program administrator finds a clear pattern of consumer complaints about the PACE solicitor regarding dishonesty, misrepresentations, or omissions, the program administrator shall not enroll the PACE solicitor. If the program identifies applicable complaints but enrolls the PACE solicitor, the program administrator shall document the rationale for the determination that the consumer complaints regarding dishonesty, misrepresentations, or omissions do not constitute a clear pattern of a dishonest business practice.

(3) For purposes of establishing a clear pattern of consumer complaints about a PACE solicitor, complaints against a PACE solicitor agent employed or retained by a



involving dishonesty, fraud, or deceit. For purposes of this subparagraph, a program administrator may rely on the background check conducted by the Contractors State License Board.

(D) The PACE solicitor has at any time had its license revoked by the Contractors State License Board or has a complaint on file with the registrar that, at the time of the review conducted as part of the program administrator's enrollment process, is available to the public on the website of the Contractors State License Board pursuant to Business and Professions Code section 7124.6.

(E) The PACE solicitor has a disciplinary action against it by another regulatory agency for failing to comply with applicable law, including an action for fraud, misrepresentation, or deceit.

(F) The PACE solicitor has engaged in elder financial abuse.

(2) A program administrator shall keep in its books and records documentation demonstrating that the program administrator has conducted a review of readily and publicly available information for the purpose of identifying whether there is a high likelihood that the PACE solicitor will solicit assessment contracts in a manner that does not comply with applicable law, and its findings. Where the review identifies evidence of past noncompliance with applicable law as set forth in paragraph (1), the program administrator either shall not enroll the PACE solicitor or document the reason it has determined the past noncompliance does not establish a high likelihood that a PACE solicitor will solicit assessment contracts in a manner that does not comply with applicable law.

(3) For purposes of establishing a high likelihood that the PACE solicitor will

the acts of a PACE solicitor agent employed or retained by a PACE solicitor shall be considered if the PACE solicitor agent knows or should have known of the acts.

(4) For purposes of this subdivision, a program administrator may presume that complaint responses are timely if the PACE solicitor ordinarily acknowledges complaints within three business days and takes actions to reach a resolution of complaints within thirty days, but longer time periods may be appropriate based on the characteristics of the business and the details of the complaints. For purposes of identifying whether longer time periods are timely, a program administrator may consider factors such as, but not limited to, the size and resources of the PACE solicitor, the length of time in business, the product or service of the PACE solicitor, the nature of the complaints received, and whether the PACE solicitor's actions demonstrate an intent to address the complainant's concerns, resolve the complaint, and identify the need for changes to improve business practices.

Note: Authority cited: Section 22150, Financial Code. Reference: Section 22680, Financial Code.

#### **§ 1620.14. Monitoring Compliance.**

(a) The process established and maintained by a program administrator to promote and evaluate the compliance of a PACE solicitor and PACE solicitor agent with the requirements of applicable law shall be in writing and shall comply with the requirements of this section.

(b) The process shall include a risk-based, commercially reasonable procedure to monitor and test the compliance of PACE solicitors and PACE solicitor agents with the requirements of Financial Code section 22689, subdivision (a).

(C) A program administrator may monitor and test the compliance of a PACE solicitor and PACE solicitor agent through an analysis of the complaints received by the program administrator.

(c) The program administrator shall monitor and test whether a PACE solicitor is maintaining the minimum qualifications required under subdivision (e) of Financial Code section 22680 for enrollment as a PACE solicitor.

(1) For purposes of monitoring and testing whether consumer complaints against a PACE solicitor evidence a clear pattern of consumer complaints about the PACE solicitor regarding dishonesty, misrepresentations, or omissions, the program administrator shall track and review the complaints containing allegations of this conduct. Notwithstanding the ability to monitor and test for compliance through sampling, a program administrator shall track all complaints that allege dishonesty, misrepresentations, or omissions.

(A) In considering evidence of a clear pattern, the program administrator may consider the volume of complaints relative to the size of the PACE solicitor, the egregiousness of the alleged conduct, the PACE solicitor's response to the allegations, and the PACE solicitor's subsequent resolution of the complaints.

(2) For purposes of identifying whether a PACE solicitor's conduct presents a high likelihood that the PACE solicitor will solicit assessment contracts in a manner that does not comply with applicable law, the monitoring and testing shall be designed to identify the following:

(A) Whether the PACE solicitor has made any untrue statements to the program administrator or to a property owner.

right to cancel period.

(e) The process to promote and evaluate the compliance of PACE solicitors and PACE solicitor agents with the requirements of applicable law shall include a procedure to regularly monitor the license or registration status of PACE solicitors and PACE solicitor agents as provided in Financial Code section 22680, paragraph (f)(2).

(1) The regular monitoring of the license or registration status of a PACE solicitor or PACE solicitor agent does not require continuous monitoring.

(2) Except as provided in paragraph (3), a program administrator shall confirm the licensure or registration status of a PACE solicitor or PACE solicitor agent remains in good standing at the following times:

(A) When a PACE solicitor or PACE solicitor agent submits a property owner's application for an assessment contract to the program administrator.

(B) When a program administrator processes a complaint about a PACE solicitor or PACE solicitor agent.

(C) When a program administrator enrolls a PACE solicitor or PACE solicitor agent.

(3) A program administrator that has a process for routinely monitoring the licensure or registration status of a PACE solicitor or PACE solicitor agent remains in good standing not less than once every quarter need not confirm licensure or registration status in the circumstances described in subparagraphs (e)(2)(A) and (B).

(4) The procedure for monitoring the registration status of PACE solicitor agents shall include a process to confirm whether the individuals employed or retained by the PACE solicitor to solicit a property owner to enter into an assessment contract are

(1) A review of a sampling of advertising related to PACE conducted by the PACE solicitor to ensure representations regarding the PACE program administered by the program administrator are not false or misleading.

(2) An analysis of the controls maintained by the PACE solicitor to ensure a PACE solicitor agent complies with the law that governs soliciting a property owner to enter into an assessment contract, including such controls as written procedures, supervision, reporting, and resolution of complaints. The analysis may be tailored based on the size of the PACE solicitor and the volume of PACE business conducted by the PACE solicitor. The program administrator shall use the information on the controls maintained by the PACE solicitor in determining the level of monitoring required under paragraph (f)(1) of Financial Code section 22680 and section 1620.14 of these rules.

(3) An analysis of a sampling of responses to the open-ended questions during the oral confirmation of key terms telephone call conducted with property owners solicited by the PACE solicitor or its agents, for patterns suggesting potential misrepresentations or omissions.

(4) An analysis of complaints made against the PACE solicitor regarding the solicitation activities of the PACE solicitor, and the resolution of the complaints.

(c) In conducting a periodic review of the solicitation activities of the PACE solicitor, the program administrator shall review a random sampling of assessment contracts to evaluate whether the PACE solicitor is in compliance with the requirements for solicitation activities, and may include contacting property owners to review the relevant items in this subdivision.

(1) The review shall include an analysis of whether the PACE solicitor is only

sampling as authorized in subdivision (d), the documentation shall include a description of the processes used to review the PACE solicitor's solicitation activities for compliance with the items in subdivisions (b) and (c) of this section.

(2) The program administrator shall retain the documentation of the periodic review, the findings, alternative review procedures, and any subsequent actions in its books and records in accordance with section 1620.07 of these rules.

(3) The program administrator shall take any other corrective action warranted by the findings from the periodic review, including but not limited to educating PACE solicitors about areas of noncompliance, remedying consumer harm, and disenrolling PACE solicitors.

(A) The periodic review and any corrective action shall be designed to promote compliance through collaboration with PACE solicitors and PACE solicitor agents.

(B) If the periodic review identifies that a PACE solicitor or PACE solicitor agent fails to maintain the minimum qualifications under Financial Code section 22680 and section 1620.13 of these rules, the process shall include the cancellation of enrollment under section 1620.16 of these rules.

(f) (1) A program administrator shall conduct a periodic review of the solicitation activities of a PACE solicitor at least once every two years.

(2) Program administrators who enroll the same PACE solicitors may collaborate on conducting coordinated joint periodic reviews.

Note: Authority cited: Section 22150, Financial Code. Reference: Section 22680, Financial Code; Sections 5898.16, 5926, and 5940, Streets and Highways Code.

(A) The introductory training addressing the topics in subdivision (c) of Financial Code section 22681, which must be completed as part of the enrollment process for PACE solicitor agents.

(B) The passage of a test that measures the PACE solicitor agent's knowledge and comprehension of the training material.

(C) Six hours of education that a PACE solicitor agent must complete within three months of completing the enrollment process.

(4) A program administrator may combine the introductory training and the six hours of education provided that the combined training occurs upon enrollment and before the PACE solicitor agent engages in the business of a PACE solicitor agent.

(b) A program administrator may establish a training program by acquiring a training program from a third party.

(1) A program administrator that acquires a training program from a third party must verify that the training program meets the minimum requirements of the California Financing Law and these rules.

(2) A program administrator may arrange with a third party to provide training to PACE solicitor agents.

(3) A program administrator that provides training to a PACE solicitor agent through a third party remains responsible for ensuring that each PACE solicitor agent completes the required six hours of education within three months of completing the program administrator's enrollment process.

(4) Upon notice to the Commissioner, a program administrator may use a training program that has been established by a different program administrator,

information may be provided through the PACE solicitor.

(e) The six hours of education provided by the program administrator shall include the following topics and information:

(1) PACE programs and assessment contracts.

(A) Training on this topic must include the following information on PACE programs and assessments:

1. The consequences of the first lien position, including the risk that if the property owner is unable to pay the property taxes, the mortgagee will pay on the property owner's behalf and may then be in a position to foreclose on the property if the property owner cannot pay the mortgagee.

2. The role of public agencies, including local agencies authorizing PACE programs, local agencies and joint powers authorities administering PACE programs, and county tax collectors and assessors billing and collecting PACE assessments.

3. The treatment of PACE assessments by federal housing finance agencies.

4. The risks to property owners, including the risk that the property owner may be breaching the property owner's mortgage agreement by allowing a PACE lien.

5. The potential barriers to property transfers, such as a potential buyer or buyer's mortgagee requiring that the PACE lien be paid off upon sale, and the accompanying risk of prepayment penalties.

6. The potential barriers to refinancing property with a PACE lien, including the risk that the mortgagee will require the PACE lien be paid off before refinancing the property.



2. The assessment process, including the need for a PACE solicitor agent to disclose to a property owner that the home improvements will be paid back through a special assessment that will appear on the property owner's property tax bill that must be paid by the property owner.

3. Interest on assessment contracts

4. Fees on assessment contracts

5. Penalty and interest for late payments

6. The prohibition of assessment contracts on property subject to a reverse mortgage.

(3) Ethics. In addition to providing education on ethics with respect to PACE financing solicitations, this topic shall include information on the following.

(A) The prohibition on incentives provided in Streets and Highways Code section 5923 and Business and Professions Code section 7157, as applicable to PACE financing.

(B) The restriction on PACE pricing under Streets and Highways Code section 5926.

(4) Fraud prevention. In addition to providing education on fraud prevention, the training on this topic shall provide information on the following potential areas of misrepresentation or omissions in connection with PACE financing.

(A) Government sponsorship

(B) Tax benefits

(C) Repayment obligation

(D) Potential effects of PACE assessments on refinancing a mortgage

Note: Authority cited: Section 22150, Financial Code. Reference: Section 22681, Financial Code.

**§ 1620.19. Annual Report Data.**

(a) A program administrator shall by March 15 of each year report the following information for activity from the prior calendar year:

(1) The aggregate information required under Streets and Highways Code section 5954.

(2) The following additional information:

(A) The number of tax sales or foreclosures that were reported to the program administrator during the prior calendar year, on property subject to a PACE assessment initiated by the public agency, a program administrator, or any other person. Include the year of the assessment contract, the original amount of the assessment contract, the zip code, the amount owed upon the tax sale or foreclosure, the purchase price paid for the property at sale or auction, and the amount recovered by the program administrator.

(B) The aggregate average and median market value of property that is encumbered by mortgage-related and PACE assessments, at the time of the assessment contract, for all assessment contracts entered into during the prior calendar year on residential property.

(C) The number of PACE solicitors, and the number of PACE solicitor agents, enrolled by the program administrator as of December 31 of the prior calendar year.

(D) 1. For assessment contracts originated by a program administrator during the prior calendar year, the total number of assessment contracts with interest rates (i) up to 14.999 percent per year; (ii) at or above 15 percent but at or below 19.999 percent

under the emergency procedures in Financial Code section 22687, subdivision (e) the prior year by type of improvement, and the average cost of each type of improvement.

(G) For all PACE assessments 12 months or more delinquent on December 31 of the prior year, provide the following information:

1. The number of PACE assessments above the 97 percent cap on total PACE and mortgage-related debt at the time the assessment contract was entered into; the number of PACE assessments at or below the 97 percent cap on total PACE and mortgage-related debt, but above 87 percent, at the time the assessment contract was entered into; and the number of PACE assessments where the PACE and mortgage related debt of the property owner was below 87 percent of the value of the property at the time the assessment contract was entered.

2. The number of PACE assessments for which an automated valuation model was used to determine the market value of the property subject to the PACE assessment; the number of PACE assessments for which an appraisal was conducted to determine the market value of the property subject to the PACE assessment; and the number of PACE assessments where a property valuation was not obtained, if any.

3. The number of PACE assessments involving a case of emergency or immediate necessity under Financial Code section 22687, subdivision (e), where the program administrator did not determine and consider the current and reasonably expected income or assets of the property owner prior in accordance with Financial Code section 22687, subdivision (b).

or growth of, income, the continuation or extinguishment of debt, and the continuation or extinguishment of any basic household living expenses.

(5) If the program administrator allows exceptions to any of its criteria for determining a property owner's ability to pay the property owner's PACE assessment obligations, the nature of any permissible exceptions and the conditions allowing for the exceptions.

(b) (1) A program administrator may not base employee compensation on a positive determination of a property owner's reasonable ability to pay the annual payment obligations for the PACE assessment.

(2) The prohibition in paragraph (b)(1) shall apply to any person making an ability to pay determination and any person with the ability to overturn an ability to pay determination.

(3) This section shall not restrict an employee from participating in any stock, bonus, or similar incentive plan that is generally available to employees nor any other type of compensation plan that is not specifically contingent on the outcome of ability to pay determinations.

Note: Authority cited: Section 22150, Financial Code. Reference: Sections 22686 and 22687, Financial Code.

## **§ 1620.22. Property Owner Income.**

(a) (1) The reasonable good faith determination of whether a property owner has a reasonable ability to pay the annual assessment shall be made and documented independently from any statement by a property owner regarding whether the property owner has the ability to pay the annual payment obligations under an assessment

preexisting fees and assessments for the rental property are subtracted from gross rental receipts before such income is included in the property owner's total income.

(5) A program administrator shall not determine the income of a property owner based on predictive or estimation methodologies that are not specific to the income of the property owner, such as, but not limited to, methodologies that estimate income based on average incomes in the property owner's geographic location, or average wages paid by the property owner's employer.

(6) Nonliquid assets under subparagraph (b)(2)(B) of Financial Code section 22687 include assets, such as funds in retirement accounts, that would result in a financial penalty for a property owner if withdrawn or liquidated.

(7) Funds received from a reverse mortgage shall not constitute income.

Note: Authority cited: Section 22150, Financial Code. Reference: Sections 22686 and 22687, Financial Code.

#### **§ 1620.25. Emergency.**

The installation of the following products does not constitute an emergency or immediate necessity: cool coat paint, window replacements, or a cool roof. This list is not exhaustive.

Note: Authority cited: Section 22150, Financial Code. Reference: Section 22687, Financial Code; Sections 5898.16 and 5940, Streets and Highways Code.

#### **§ 1620.27. Automated Valuation Model.**

(a) A program administrator shall maintain in its books and records under section 1620.07 of these rules evidence documenting the confidence scores and estimated values for all the automated valuation models used to derive the market value of each

(3) The verification relied on the market value of property determined in compliance with subdivision (a) of Financial Code section 22685.

(4) The verification relied on mortgage statements.

(b) If the program administrator does not verify the criteria in Financial Code section 22684 through the commercially reasonable and available sources identified in subdivision (a), the program administrator shall identify the source of the information in the records related to the assessment contract maintained under section 1620.07 of these rules. This paragraph shall not be applicable to any criteria where Financial Code section 22684 requires or authorizes the verification directly with the property owner.

(c) Property tax payment histories are a commercially reasonable and available method to verify some of the criteria in Financial Code section 22684 and a program administrator shall use these records as one source of verification unless the payment tax history is unavailable at the time or Financial Code section 22684 authorizes verification directly from the property owner.

(d) The verification shall include confirmation with the PACE solicitor that the PACE solicitor has notified the program administrator of any other PACE assessment on the property known to the PACE solicitor.

(e) The verification methods identified in this rule are non-exhaustive and permissive.

Note: Authority cited: Section 22150, Financial Code. Reference: Section 22684, Financial Code.

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## NMLS COMPANY FORM

The NMLS Company Form is the universal licensing form used by companies and sole proprietors to apply for and maintain any non-depository, financial services license authority with a state agency participating on NMLS. Not all sections of the NMLS Company Form may apply to all companies. In accordance with state law, applicants may be required to have certain persons (e.g. Owners, Branch Managers, etc) complete an NMLS Individual Form to be submitted along with the NMLS Company Form.

**\* ALL FORMS ARE COMPLETED ELECTRONICALLY THROUGH NMLS – THIS FORM IS FOR INSTRUCTIONAL PURPOSES ONLY \***

### 1. Business Activities

Select **all** business activities conducted by your company from the list below, including business activities for which a license request is being submitted or for which your company is not specifically seeking licensing authority. The definitions for these terms can be found in Business Activities Definitions.

Mortgage		Consumer Finance		Debt		Money Services	
<input type="checkbox"/>	First mortgage brokering	<input type="checkbox"/>	Payday lending - storefront	<input type="checkbox"/>	First party debt collection	<input type="checkbox"/>	Electronic money transmission
<input type="checkbox"/>	Second mortgage brokering	<input type="checkbox"/>	Payday lending - online	<input type="checkbox"/>	Third party debt collection	<input type="checkbox"/>	Issuing traveler's checks
<input type="checkbox"/>	First mortgage lending	<input type="checkbox"/>	Consumer loan brokering	<input type="checkbox"/>	Debt negotiation	<input type="checkbox"/>	Selling traveler's checks
<input type="checkbox"/>	Second mortgage lending	<input type="checkbox"/>	Consumer loan lending	<input type="checkbox"/>	Debt settlement/debt adjuster	<input type="checkbox"/>	Issuing money orders
<input type="checkbox"/>	First mortgage servicing	<input type="checkbox"/>	Consumer loan servicing	<input type="checkbox"/>	Passive debt buying (does not undertake direct collections on accounts)	<input type="checkbox"/>	Selling money orders
<input type="checkbox"/>	Third party first mortgage servicing	<input type="checkbox"/>	Sales finance company activities – motor vehicles	<input type="checkbox"/>	Active debt buying (undertakes direct collections on accounts)	<input type="checkbox"/>	Bill paying
<input type="checkbox"/>	Subordinate lien mortgage servicing	<input type="checkbox"/>	Sales finance company activities – general	<input type="checkbox"/>	Debt management/credit counseling	<input type="checkbox"/>	Issuing and/or selling drafts
<input type="checkbox"/>	Third party subordinate lien mortgage servicing	<input type="checkbox"/>	Title lending	<input type="checkbox"/>	Credit repair	<input type="checkbox"/>	Transporting currency
<input type="checkbox"/>	Master servicing	<input type="checkbox"/>	Refund anticipation lending	<input type="checkbox"/>	Judgment recovery	<input type="checkbox"/>	Issuing prepaid access/stored value
<input type="checkbox"/>	Mortgage loan purchasing	<input type="checkbox"/>	Premium finance company activities	<input type="checkbox"/>	Repossession agency activities	<input type="checkbox"/>	Selling prepaid access/stored value
<input type="checkbox"/>	Short sale	<input type="checkbox"/>	Retail installment selling	<input type="checkbox"/>	Repossession agent activities	<input type="checkbox"/>	Check cashing
<input type="checkbox"/>	Foreclosure consulting/foreclosure rescue	<input type="checkbox"/>	Escrowing agents	<input type="checkbox"/>	Non-mortgage loan modifications	<input type="checkbox"/>	Foreign currency dealing or exchanging
<input type="checkbox"/>	Home equity lending/lines of credit	<input type="checkbox"/>	1031 exchange companies	<input type="checkbox"/>	Bi-weekly payment processing services	<input type="checkbox"/>	Other – money services
<input type="checkbox"/>	Reverse mortgage brokering	<input type="checkbox"/>	Private student loan lending	<input type="checkbox"/>	Other - debt		
<input type="checkbox"/>	Reverse mortgage lending	<input type="checkbox"/>	Private student loan servicing				
<input type="checkbox"/>	Reverse mortgage servicing	<input type="checkbox"/>	Non-private student loan lending				
<input type="checkbox"/>	Credit insurance services	<input type="checkbox"/>	Non-private student loan servicing				
<input type="checkbox"/>	Third party mortgage loan processing	<input type="checkbox"/>	Rent-to-own				
<input type="checkbox"/>	Third party mortgage loan underwriting	<input type="checkbox"/>	Accounting/Billing servicing				
<input type="checkbox"/>	Manufactured housing financing	<input type="checkbox"/>	Industrial loan lending companies				
<input type="checkbox"/>	Lead generation	<input type="checkbox"/>	Pawn brokering				
<input type="checkbox"/>	Commercial mortgage brokering or lending	<input type="checkbox"/>	Property tax lending				
<input type="checkbox"/>	Mortgage loan modifications	<input type="checkbox"/>	Non-depository ATM operation				
<input type="checkbox"/>	Other - mortgage	<input type="checkbox"/>	Prepaid funeral plan providers				
		<input type="checkbox"/>	Other – consumer finance				

#### 4. Resident/Registered Agent

Provide the information for your company's resident/registered agent below. If the resident/registered agent is a company rather than an individual, put the words 'registered agent' in the Title field. Use additional sheets if necessary.

Company _____	First Name _____	Last Name _____	Title _____
Number & Street (Do not provide PO Box) _____	City _____	State _____	Country/Province _____
( ) - ext _____	( ) - _____	Postal Code _____	
Business Phone _____	Fax Line _____	Email Address _____	

#### 5. Web Addresses

Provide the full web address(es) for the company and any separate websites for other trade names identified in question 3 (if one exists).

(A) Website Address: \_\_\_\_\_

Is your company accepting applications or transacting business through this website? ☐ YES ☐ NO

(B) Website Address: \_\_\_\_\_

Is your company accepting applications or transacting business through this website? ☐ YES ☐ NO

(C) Website Address: \_\_\_\_\_

Is your company accepting applications or transacting business through this website? ☐ YES ☐ NO

#### 6. Primary Contact Employee Information

List below the individual as the primary contact employee for this company. Minimum of one primary company contact and one primary consumer complaint (regulator) contact must be identified and the individual must be authorized to receive all compliance and licensing information, communications and mailings, and be responsible for disseminating it to others within your company as necessary. Use additional sheets if necessary.

- ☐ Primary Company
- ☐ Primary Consumer Complaint (Regulator)

First Name _____	Last Name _____	Title _____	Email Address _____
PO Box or Number & Street _____	City _____	State _____	Country/Province _____
( ) - ext _____	( ) - _____	Postal Code _____	
Business Phone _____	Fax Line _____		



## 9. Approvals and Designations

Provide the information below for any approvals and/or designations the company currently holds.

- ☐ (A) Federal Housing Administration (FHA) Approval (if selected, indicate Approval Type: ☐ Government Lender ☐ Investing Lender ☐ Nonsupervised Lender ☐ Supervised Lender; and provide Main Approval #: \_\_\_\_\_)
- ☐ (B) Ginnie Mae approved Issuer/Servicer (if selected, provide Main Approval #: \_\_\_\_\_)
- ☐ (C) Fannie Mae approved Seller/Servicer (if selected, provide Main Approval #: \_\_\_\_\_)
- ☐ (D) Freddie Mac approved Seller/Servicer (if selected, provide Main Approval #: \_\_\_\_\_)
- ☐ (E) Veterans Administration (VA) Approved Lender (if selected, provide Main Approval #: \_\_\_\_\_)
- ☐ (F) FinCEN Registration (Money Service Businesses only) (if selected, provide Confirmation #: \_\_\_\_\_ and Filing Date: \_\_\_\_\_)
- ☐ (G) Uniform Debt-Management Services Act Accreditation
- ☐ (H) Guaranteed Rural Housing (GRH) Approval (if selected, provide Main Approval #: \_\_\_\_\_)
- ☐ (I) Other Approval/Designation (if selected, provide the name of approval/designation and number below)
- Name of Approval/Designation: \_\_\_\_\_ Approval/Registration #: \_\_\_\_\_

(J) Will entity engage in any non-financial services-related business?

YES

NO

If "yes" briefly describe. \_\_\_\_\_

☐

☐

(K) Will the entity occupy or share space with any person(s) engaged in financial services-related activity?

YES

NO

If "yes" briefly describe. \_\_\_\_\_

☐

☐

## 10. Bank Account Information

Bank account information should be provided only if you are instructed by your regulator to provide such information.

Provide the information requested below as required for each bank account, including applicable Industry Type(s) and State(s). Use additional sheets if necessary.

(A) Account Type: ☐ Letter/Line of Credit ☐ Operating ☐ Trust/Primary

If Letter/Line of Credit is selected, complete (B) and (C):

(B) \_\_\_\_\_ (C) \_\_\_\_\_  
Amount of Letter/ Line of Credit Letter/Line of Credit Expiration Date (MM/DD/YYYY)

(D) Bank Name: \_\_\_\_\_

(E) \_\_\_\_\_ (F) \_\_\_\_\_ (G) \_\_\_\_\_ (H) \_\_\_\_\_  
PO Box or Number & Street City State Country/Province Postal Code

(I) \_\_\_\_\_ (J) Notes: \_\_\_\_\_  
Account Number

(K) Identify applicable industry: ☐ Mortgage ☐ Debt ☐ Consumer Finance ☐ Money Services

(L) Identify the state(s) for every listed bank account: \_\_\_\_\_

## 11. Legal Status

(A) Fiscal year end (MM/DD): \_\_\_\_\_

(B) If other than a sole proprietorship, indicate date and place the entity obtained its legal status (i.e., state or country where incorporated, where partnership agreement was filed, or where applicant entity was formed):

Formation State: \_\_\_\_\_ Formation Country/Province: \_\_\_\_\_

Date of formation (MM/DD/YYYY): \_\_\_\_\_

(C) If publicly traded please insert stock symbol: \_\_\_\_\_

(D) Indicate legal status of applicant.

- ☐ Corporation ☐ Limited Liability Company ☐ General Partnership  
☐ Limited Partnership ☐ Limited Liability Partnership ☐ Limited Liability Limited Partnership  
☐ Not For Profit Corporation ☐ Sole Proprietorship ☐ Trust  
☐ Other (specify) \_\_\_\_\_

(4) entered an order against the entity or a control affiliate in connection with a financial services-related activity?	YES <input type="checkbox"/>	NO <input type="checkbox"/>
(5) denied, suspended, or revoked the entity's or a control affiliate's registration or license or otherwise, by otherwise, by order, prevented it from associating with a financial services-related business or restricted its activities?	<input type="checkbox"/>	<input type="checkbox"/>
(D) Has the entity's or a control affiliate's authorization to act as an attorney, accountant, or State or federal contractor ever been revoked or suspended?	<input type="checkbox"/>	<input type="checkbox"/>
(E) Is there a pending regulatory action proceeding against the entity or a control affiliate for any alleged violation described in (C) through (D)?	<input type="checkbox"/>	<input type="checkbox"/>
<b>Civil Judicial Disclosure</b>		
(F) Has any domestic or foreign court:		
(1) in the past ten years enjoined the entity or a control affiliate in connection with any financial services-related activity?	<input type="checkbox"/>	<input type="checkbox"/>
(2) in the past ten years found the entity or a control affiliate was involved in a violation of any financial services-related statute(s) or regulation(s)?	<input type="checkbox"/>	<input type="checkbox"/>
(3) in the past ten years dismissed, pursuant to a settlement agreement, a financial services-related civil action brought against the entity or control affiliate by a State or foreign financial regulatory authority?	<input type="checkbox"/>	<input type="checkbox"/>
(G) Is there a pending financial services-related civil action in which the entity or a control affiliate is named for any alleged violation described in (F)?	<input type="checkbox"/>	<input type="checkbox"/>
<b>Financial Disclosure</b>		
(H) In the past ten years has the entity or a control affiliate been the subject of a bankruptcy petition?	<input type="checkbox"/>	<input type="checkbox"/>
(I) Has a bonding company ever denied, paid out on, or revoked a bond for the entity?	<input type="checkbox"/>	<input type="checkbox"/>
(J) Does the entity have any unsatisfied judgments or liens against it?	<input type="checkbox"/>	<input type="checkbox"/>

15. Direct Owners and Executive Officers

Provide the information requested below for the individual or company being identified as a (i) direct owner of 10% or more; (ii) executive officer; and/or (iii) control person of your company (excluding indirect owners that must be identified in the Indirect Owners section of this filing). An NMLS Individual Form must be completed for all natural person(s) identified in this section.

Entity ID	Full Legal Name (Individuals: Last Name, First Name, Middle Name)	Title	% Ownership	Individual or Company	Stock Symbol (Company Only)	SSN or EIN (Company Only)
				<input type="checkbox"/> Individual <input type="checkbox"/> Company		
				<input type="checkbox"/> Individual <input type="checkbox"/> Company		
				<input type="checkbox"/> Individual <input type="checkbox"/> Company		
				<input type="checkbox"/> Individual <input type="checkbox"/> Company		
				<input type="checkbox"/> Individual <input type="checkbox"/> Company		
				<input type="checkbox"/> Individual <input type="checkbox"/> Company		

**EXECUTION:** I, <<NAME>>, <<TITLE/POSITION>>, am employed by or am an officer or a control person of <<COMPANY>> (Applicant). Applicant agrees to and represents the following:

- (1) That the information and statements contained herein, including exhibits attached hereto, and other information filed herewith, all of which are made a part of this application, are current, true and complete and are made under the penalty of perjury, or un-sworn falsification to authorities, or similar provisions as provided by law;
- (2) To the extent any information previously submitted is not amended, such information remains accurate and complete;
- (3) To the extent any information submitted is part of an advance change notice with a delayed effective date, such information is accurate and complete as of this submission;
- (4) That the jurisdiction(s) to which an application is being submitted may conduct any investigation into the background of the Applicant, and any related individuals or entities, in accordance with all laws and regulations for purposes of making a determination on the application;
- (5) To keep the information contained in this form current and to file accurate supplementary information on a timely basis; and
- (6) To comply with the provisions of law, including the maintenance of accurate books and records, pertaining to the conduct of business for which the Applicant is applying.

If the Applicant has knowingly made a false statement of a material fact in this application or in any documentation provided to support the foregoing application, then the foregoing application may be denied.

☐ On this << MM/DD/YYYY >>, I verify that I am the named person above and that I am authorized to attest to and submit this filing on behalf of the Applicant. I solemnly swear (or affirm) under the penalty of perjury or un-sworn falsification to authorities, or similar provisions as provided by law that I have reviewed the foregoing responses, have made diligent inquiry as to their accuracy, and they are true and correct to the best of my knowledge, information and belief.



## NMLS INDIVIDUAL FORM

### UNIFORM BIOGRAPHICAL STATEMENT AND CONSENT FORM

The NMLS Individual Form is the universal form used by individuals required to submit biographical and other information to a state agency through NMLS as part of a license application. Not all sections of the NMLS Individual Form may apply to all applicants.

**\* ALL FORMS ARE COMPLETED ELECTRONICALLY THROUGH NMLS – THIS FORM IS FOR INSTRUCTIONAL PURPOSES ONLY \***

#### 1. Identifying Information

(A) Full last, first and middle names:

\_\_\_\_\_  
Last Name                      First Name                      Full Middle Name                      Suffix (if any)

(B) Social Security Number: \_\_\_\_\_ (C) Gender: ☐ Female ☐ Male

(D) \_\_\_\_\_ (E) \_\_\_\_\_ (F) \_\_\_\_\_  
Date of Birth (MM/DD/YYYY)                      State/Province of Birth                      Country/Province of Birth

(G) US Citizen: ☐ YES ☐ NO

(H)\* State of Government Issued Identification: \_\_\_\_\_

(I)\* Government Issued Identification Number: \_\_\_\_\_

(J)\* Passport Issuing Country: \_\_\_\_\_ (K)\* Passport Number: \_\_\_\_\_

\* For questions H – K, consult state licensing requirements to see if this is required

(L) Business phone, home phone, cell phone, fax and email:

( ) - \_\_\_\_\_ ( ) - \_\_\_\_\_ ( ) - \_\_\_\_\_  
Business Phone                      Extension                      Home Phone (optional)                      Cell Phone (optional)

( ) - \_\_\_\_\_  
Fax Line (optional)                      Email Address

(M) Mailing Address: ☐ Same as Current Residential Address

\_\_\_\_\_  
Number & Street                      City                      State                      Country/Province                      Postal Code

(N) **For amendments only:** If this filing reports that an individual's name has changed, enter the new name and attach supporting legal documentation:

\_\_\_\_\_  
Last Name                      First Name                      Full Middle Name                      Suffix (if any)

#### 2. Other Names

Other than your legal name, list all name(s) you are using or have used since the age of 18. Examples include nicknames, aliases, and names used before or after marriage. (Use additional sheets as necessary).

Name \_\_\_\_\_ Name \_\_\_\_\_

Name \_\_\_\_\_ Name \_\_\_\_\_

**5. Other Business**

Are you currently engaged in any other business either as a proprietor, partner, officer, director, employee, trustee, agent or otherwise? (Please exclude non-financial services-related activity that is exclusively charitable, civic, religious, or fraternal and is recognized as tax exempt.) If YES, provide the following details (attach additional sheets as needed.):

**YES****NO**☐☐

Business Name \_\_\_\_\_

Does this business conduct financial services-related activities? ☐ Yes ☐ No

Number &amp; Street \_\_\_\_\_

City \_\_\_\_\_

State \_\_\_\_\_

Country/Province \_\_\_\_\_

Postal Code \_\_\_\_\_

Nature of business: \_\_\_\_\_

Position, Title or Relationship with business \_\_\_\_\_

Start Date: \_\_\_\_\_

Hours per month: \_\_\_\_\_

Describe your duties: \_\_\_\_\_

**6. Disclosure Questions**

If the answer to any of the following is "YES", provide complete details of all events or proceedings. Send the details to the state(s) where you are licensed/registered or requesting licensure/registration. Remember to file updates to these disclosures as needed.

**Financial Disclosure****YES****NO**

(A)

(1) Have you filed a personal bankruptcy petition or been the subject of an involuntary bankruptcy petition within the past 10 years? ☐ YES ☐ NO(2) Based upon events that occurred while you exercised control over an organization, has any organization filed a bankruptcy petition or been the subject of an involuntary bankruptcy petition within the past 10 years? ☐ YES ☐ NO(3) Have you been the subject of a foreclosure action within the past 10 years? ☐ YES ☐ NO(B) Has a bonding company ever denied, paid out on, or revoked a bond for you? ☐ YES ☐ NO(C) Based upon activities that occurred while you exercised control over an organization, has any bonding company ever denied, paid out on, or revoked a bond for any organization? ☐ YES ☐ NO(D) Do you have any unsatisfied judgments or liens against you? ☐ YES ☐ NO(E) Are you delinquent on any court ordered child support payments? ☐ YES ☐ NO**Criminal Disclosure**

(F)

(1) Have you ever been convicted of or pled guilty or nolo contendere ("no contest") in a domestic, foreign, or military court to any felony? ☐ YES ☐ NO(2) Are there pending charges against you for any felony? ☐ YES ☐ NO

(G) Based upon activities that occurred while you exercised control over an organization:

(1) Has any organization ever been convicted of or pled guilty or nolo contendere ("no contest") in a domestic, foreign, or military court to any felony? ☐ YES ☐ NO(2) Are there pending charges against any organization for any felony? ☐ YES ☐ NO

(H)

(1) Have you ever been convicted of or pled guilty or nolo contendere ("no contest") in a domestic, foreign, or military court to committing or conspiring to commit a misdemeanor involving: (i) financial services or a financial services-related business, (ii) fraud, (iii) false statements or omissions, (iv) theft or wrongful taking of property, (v) bribery, (vi) perjury, (vii) forgery, (viii) counterfeiting, or (ix) extortion? ☐ YES ☐ NO(2) Are there pending charges against you for a misdemeanor specified in (H)(1)? ☐ YES ☐ NO

(3) was settled for any amount?	YES <input type="checkbox"/>	NO <input type="checkbox"/>
<b>Termination Disclosure</b>		
(Q) Have you ever voluntarily resigned, been discharged, or permitted to resign after allegations were made that accused you of:		
(1) violating statute(s), regulation(s), rule(s), or industry standards of conduct?	<input type="checkbox"/>	<input type="checkbox"/>
(2) fraud, dishonesty, theft, or the wrongful taking of property?	<input type="checkbox"/>	<input type="checkbox"/>

#### 7. Fingerprint Information

☐ I am requesting a Federal Criminal Background Check

Confirm background check method:

- ☐ Submit New Prints  
☐ Use Archived Prints

The FBI requires the following information to be provided:

(A) Eye color: \_\_\_\_\_

(B) Hair color: \_\_\_\_\_

(C) Height: \_\_\_\_\_

(D) Weight: \_\_\_\_\_

(E) Race: \_\_\_\_\_

#### 8. Credit Report

By requesting a credit report in connection with this filing you agree and instruct us to provide access to the credit report to each state regulator you: (i) have a pending or active license or registration with; or (ii) are requesting a license or registration from in connection with this filing. In addition, if you are a Control Person, you agree and instruct us to provide access to the credit report to each state regulator that any company associated with you through NMLS: (i) has a pending or active license or registration with; or (ii) is requesting a license or registration from in connection with this filing.

☐ Request a new credit report.

#### 9. Company Relationship and Sponsorship Representation:

(A) ☐ **ESTABLISH RELATIONSHIP/ CREATE SPONSORSHIP** To the best of my knowledge and belief, at the time of approval, the applicant will be familiar with the statutes, regulations, and rules of the state(s) with which this application is being filed, and will be fully qualified for the position for which application is being made herein. I have taken appropriate steps to verify the accuracy and completeness of the information contained in and with this application. I have provided the applicant an opportunity to review the information contained herein and the applicant has approved this information and signed the form.

Relationship Effective Date (MM/DD/YYYY): \_\_\_\_\_

Specify below the license(s) that will be supervised by the company. By making the selection and signing below you denote that the individual's financial-related activities are appropriately supervised by the employer for the individual to be eligible to hold a valid, active, approved license in a state. Supervision of financial-related activity equals Sponsorship. Where required, sponsorships must be established separately for each license. (Use additional sheets as needed)

License Name: \_\_\_\_\_

Sponsorship Effective Date (MM/DD/YYYY): \_\_\_\_\_

License Name: \_\_\_\_\_

Sponsorship Effective Date (MM/DD/YYYY): \_\_\_\_\_

\_\_\_\_\_  
Company Name

by \_\_\_\_\_  
Signature of authorized party

\_\_\_\_\_  
Print Name and Title of authorized party



## NMLS BRANCH FORM

The NMLS Branch Form is the universal licensing form used by companies to apply for and maintain branch license(s) for any non-depository, financial services license authority if required by a state agency participating on NMLS. In accordance with state law, applicants may be required to have certain persons (i.e. Branch Managers) complete an NMLS Individual Form to be submitted along with the NMLS Branch Form.

**\* ALL FORMS ARE COMPLETED ELECTRONICALLY THROUGH NMLS – THIS FORM IS FOR INSTRUCTIONAL PURPOSES ONLY \***

### 1. Business Activities

Select all business activities conducted at this location by your company from the list below, including business activities for which a license request is being submitted or for which your company is not specifically seeking licensing authority. The definitions for these terms can be found in Business Activities Definitions.

Mortgage	Consumer Finance	Debt	Money Services
<input type="checkbox"/> First mortgage brokering	<input type="checkbox"/> Payday lending - storefront	<input type="checkbox"/> First party debt collection	<input type="checkbox"/> Electronic money transmission
<input type="checkbox"/> Second mortgage brokering	<input type="checkbox"/> Payday lending - online	<input type="checkbox"/> Third party debt collection	<input type="checkbox"/> Issuing traveler's checks
<input type="checkbox"/> First mortgage lending	<input type="checkbox"/> Consumer loan brokering	<input type="checkbox"/> Debt negotiation	<input type="checkbox"/> Selling traveler's checks
<input type="checkbox"/> Second mortgage lending	<input type="checkbox"/> Consumer loan lending	<input type="checkbox"/> Debt settlement/debt adjuster	<input type="checkbox"/> Issuing money orders
<input type="checkbox"/> First mortgage servicing	<input type="checkbox"/> Consumer loan servicing	<input type="checkbox"/> Passive debt buying (does not undertake direct collections on accounts)	<input type="checkbox"/> Selling money orders
<input type="checkbox"/> Third party first mortgage servicing	<input type="checkbox"/> Sales finance company activities – motor vehicles	<input type="checkbox"/> Active debt buying (undertakes direct collections on accounts)	<input type="checkbox"/> Bill paying
<input type="checkbox"/> Subordinate lien mortgage servicing	<input type="checkbox"/> Sales finance company activities – general	<input type="checkbox"/> Debt management/credit counseling	<input type="checkbox"/> Issuing and/or selling drafts
<input type="checkbox"/> Third party subordinate lien mortgage servicing	<input type="checkbox"/> Title lending	<input type="checkbox"/> Credit repair	<input type="checkbox"/> Transporting currency
<input type="checkbox"/> Master servicing	<input type="checkbox"/> Refund anticipation lending	<input type="checkbox"/> Judgment recovery	<input type="checkbox"/> Issuing prepaid access/stored value
<input type="checkbox"/> Mortgage loan purchasing	<input type="checkbox"/> Premium finance company activities	<input type="checkbox"/> Repossession agency activities	<input type="checkbox"/> Selling prepaid access/stored value
<input type="checkbox"/> Short sale	<input type="checkbox"/> Retail installment selling	<input type="checkbox"/> Repossession agent activities	<input type="checkbox"/> Check cashing
<input type="checkbox"/> Foreclosure consulting/foreclosure rescue	<input type="checkbox"/> Escrowing agents	<input type="checkbox"/> Non-mortgage loan modifications	<input type="checkbox"/> Foreign currency dealing or exchanging
<input type="checkbox"/> Home equity lending/lines of credit	<input type="checkbox"/> 1031 exchange companies	<input type="checkbox"/> Bi-weekly payment processing services	<input type="checkbox"/> Other – money services
<input type="checkbox"/> Reverse mortgage brokering	<input type="checkbox"/> Private student loan lending	<input type="checkbox"/> Other - debt	
<input type="checkbox"/> Reverse mortgage lending	<input type="checkbox"/> Private student loan servicing		
<input type="checkbox"/> Reverse mortgage servicing	<input type="checkbox"/> Non-private student loan lending		
<input type="checkbox"/> Credit insurance services	<input type="checkbox"/> Non-private student loan servicing		
<input type="checkbox"/> Third party mortgage loan processing	<input type="checkbox"/> Rent-to-own		
<input type="checkbox"/> Third party mortgage loan underwriting	<input type="checkbox"/> Accounting/Billing servicing		
<input type="checkbox"/> Manufactured housing financing	<input type="checkbox"/> Industrial loan lending companies		
<input type="checkbox"/> Lead generation	<input type="checkbox"/> Pawn brokering		
<input type="checkbox"/> Commercial mortgage brokering or lending	<input type="checkbox"/> Property tax lending		
<input type="checkbox"/> Mortgage loan modifications	<input type="checkbox"/> Non-depository ATM operation		
<input type="checkbox"/> Other - mortgage	<input type="checkbox"/> Prepaid funeral plan providers		
	<input type="checkbox"/> Other – consumer finance		



### 5. Web Address

Provide the full web address(es) for the branch and any separate websites for other trade names identified in question 3 (if one exists).

(A) Website Address: \_\_\_\_\_

Is your company accepting applications or transacting business through this website? ☐ YES ☐ NO

(B) Website Address: \_\_\_\_\_

Is your company accepting applications or transacting business through this website? ☐ YES ☐ NO

(C) Website Address: \_\_\_\_\_

Is your company accepting applications or transacting business through this website? ☐ YES ☐ NO

### 6. Books and Records Information

Provide the information requested below for the records custodian maintaining records for this branch. Provide the name of the individual who should be contacted with inquiries or to gain access to the storage location. If multiple custodians maintain records for this branch, use the Comments field to indicate the types of records this custodian maintains. Use additional sheets if necessary.

Company \_\_\_\_\_ First Name \_\_\_\_\_ Last Name \_\_\_\_\_  
Business Address \_\_\_\_\_ City \_\_\_\_\_ State \_\_\_\_\_ Country/Province \_\_\_\_\_ Postal Code \_\_\_\_\_  
(Do not provide PO Box)  
( ) - ext ( ) -  
Business Phone \_\_\_\_\_ Fax Line \_\_\_\_\_ Email Address \_\_\_\_\_  
Identify applicable industry: ☐ Mortgage ☐ Debt ☐ Consumer Finance ☐ Money Services  
Identify the state(s) for which every listed record custodian maintains records for the company: \_\_\_\_\_  
Comments: \_\_\_\_\_

### 7. Operation Information

(a).	Will this branch office and/or individuals at this branch office operate pursuant to a written agreement or contract with the main office?	YES <input type="checkbox"/>	NO <input type="checkbox"/>
(b).	Will this branch office have sole responsibility for decisions relating to individuals participating in financial-related services with respect to employment?	YES <input type="checkbox"/>	NO <input type="checkbox"/>
(c).	Will this branch office have sole responsibility for decisions relating to individuals participating in financial-related services with respect to compensation?	YES <input type="checkbox"/>	NO <input type="checkbox"/>
(d).	Other than the entity, does anyone have responsibility for the expenses or have a financial ownership/liability interest in the activities of this branch? If answered yes, complete the following section for each person responsible for the expenses or with a financial ownership/liability interest.	YES <input type="checkbox"/>	NO <input type="checkbox"/>

### 8. Expense Information

Provide the following contact information about the party responsible for expenses or with a financial ownership/liability interest. Indicate whether or not the party maintains a financial services related license. In the Explanation provide the relevant details to the party's responsibility on expenses or financial ownership/liability interest. If no party other than the company is responsible for expenses of this branch, leave blank.

FULL LEGAL NAME (Individuals: Last Name, First Name, Middle Name)	Business Address, City, State, Country/Province, Postal Code	Business Phone Number	Separately Licensed? YES NO	Explanation
--	---	-----------------------------	-----------------------------------	-------------