

Initial Application for Debt Management License

Initial Application for Debt Management License Attachments and Instructions

General Instructions:

PLEASE NOTE – INCOMPLETE APPLICATIONS MAY BE RETURNED UNPROCESSED

1. Complete the subsequent application and attachments. In addition, the following items are required to be filed along with the application.
2. Bond Requirement: Please submit the following:
 - [FIS 0508](#) Debt Management Surety Bond for Licensee
3. If Applicant's Trust Account is to be maintained by a financial institution outside of Michigan, [FIS 0517](#) Alternative Bond in Lieu of Michigan Based Trust Account **MUST** also be completed.
4. Articles of Incorporation, Articles of Organization or Partnership Agreement. Include Assumed Name Certificate, if applicable.
5. Credit Report of the firm.
6. Applicant's budget analysis, debt management contract and creditor agreement forms that contain information specified in Sections 12, 13 and 14 of the [Debt Management Act](#), 1975 PA 148 of, as amended (Act). The budget analysis and contract are two separate documents and cannot be combined. The contract must also include the payment amount, frequency of payments and total number of payments.
7. Fee Schedule (must be in accordance with [Section 18](#) of the Act).
8. Certificate of Authority to conduct business in Michigan as a corporation, partnership or limited liability company. Certificates are available by contacting the Corporation Division at 1-517-241-6470 or www.michigan.gov/corporations. If you are a sole proprietor, submit a Certificate of Assumed Name (DBA). DBA Certificates can be obtained by contacting your local County Clerk's office.

Questions pertaining to the completion of this Application may be directed to the Consumer Finance Licensing Unit at 1-877-999-6442.

When complete, please mail to:

**DIFS - Consumer Finance
PO Box 30220
Lansing MI 48909-7720**



Michigan Department of Insurance and Financial Services

DIFS is an equal opportunity employer/program.

Auxiliary aids, services and other reasonable accommodations are available upon request to individuals with disabilities.

Visit DIFS online at: www.michigan.gov/difs Phone DIFS toll-free at: 877-999-6442

Initial Application for Debt Management License

Applicant's Name		Firm's Fiscal Year End	
Applicant's Home Office Address		Firm's Web Address	
City	State	ZIP Code	Telephone Number ()
Contact Person	Title	E-Mail Address	Fax Number ()

ADDITIONAL OFFICES (Attach additional page(s), if necessary)

ADDRESS	PHONE NUMBER	MANAGER
	()	
	()	
	()	
	()	
	()	

Type of Business Entity (check one only):

Sole Proprietorship. Give name and home address.

Partnership. Attach list of partners, showing names, home addresses, and whether general or limited partner.

Corporation. Attach a list of officers, members and directors, showing names, home addresses, position held and percentage of interest held directly or otherwise.

Limited Liability Company or Unincorporated Association. Attach a list of members, giving names, home addresses, positions held and percentage of interest held directly or otherwise.



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Indicate whether the applicant, its general partners, members or managers or any of the officers or directors:

(Note: This question does not apply to directors or their equivalent if he or she does not receive a salary, stock dividend, or other financial benefit from the corporation or equivalent entity, other than reimbursement of the actual expenses incurred in carrying out the duties of a director of that corporation or equivalent entity.)

- YES NO 1. Has been convicted of a crime involving moral turpitude which includes forgery, embezzlement, obtaining money under false pretenses, larceny, extortion, conspiracy to default or any other like offenses.
- YES NO 2. Has been the subject of an order by the Department of Insurance and Financial Services for violating or failing to comply with a provision of the Act, Rules, or an Order promulgated or issued under the Act.
- YES NO 3. Has had a license to engage in the business of debt management revoked or suspended for any reason other than failure to pay the licensing fees in this state or in another state.
- YES NO 4. Has ever defaulted in the payment of money collected for others including the discharge of debts through bankruptcy proceedings.
- YES NO 5. Is associated with any other debt management business entity. If yes, please provide the name and address of the business.
- YES NO 6. Is operating a collection agency or affiliated with one. If yes, please provide the name and address of the agency.
- YES NO 7. Is a partnership, corporation, limited liability company or association which has not been granted a certificate of authority to do business in this state.
- YES NO 8. Is engaged in any other business professions besides debt management. If yes, provide details.

If you have answered "yes" to any of the above, please attach complete details.

The undersigned, _____, being first duly sworn, deposes and says: That I have executed the following application for and on behalf of the applicant named therein; that I am _____

(Officer, Partner, Member or Sole Proprietor)

of such applicant and fully authorized to execute and file such application; that I am familiar with such application; and that to the best of my knowledge, information and belief the statements made in such application are true and the documents submitted therewith are true copies of the originals thereof.

It is fully understood by me that any misrepresentation or false statements or fraud in or in connection with this application shall be cause for revocation of the license issued thereon, in addition to any other action and/or penalty to which I may be subject.

Date: _____

(Name of Applicant)

By: _____
(Name and Title)

1975 PA 148 as amended requires submission of this form by applicants for a license to do business as a debt management company. Failure to complete and submit this form properly could result in denial, suspension or revocation of your license.

Debt Management Surety Bond for Licensee

Bond Number: _____

That _____
(Name of Firm or Person if Sole Proprietor)

operating as _____
(Name of Firm)

(State of Corporation, Partnership, Limited Liability Company, or Individual)

(List Complete Address of all Offices covered by this Bond)

as Principal and _____, a Surety Company authorized to transact business in Michigan, as surety, are held and firmly bound unto the People of the State of Michigan in the penal sum of _____ lawful money of the United States, to be paid
(\$25,000-\$100,000)

to the people of the State of Michigan, for which payment will and truly be made, we bind ourselves and our heirs, executors, administrators, personal representatives, and successors, jointly and severally, firmly by these presents.

WHEREAS, the said _____
(Name of Firm)

principal obligor herein, is filing herewith an application to the Department of Insurance and Financial Services for a license to engage in the business of debt management at the office(s) listed above under the provisions of Act 148, Public Acts of 1975, as amended; and

WHEREAS, Section 5 of said Act 148 provides, in part, as follows:

“The amount of the surety bond must equal or exceed the total amount of Michigan clients' funds in the applicant's or licensee's trust account at the time of application for license or renewal, as determined by the department, except that the amount of the surety bond shall not be less than \$25,000.00 or greater than \$100,000.00. The surety bond shall be conditioned on the faithful accounting of all money collected on accounts entrusted to a licensee engaged in the business of debt management or the licensee's employees and agents. In lieu of a surety bond, the department may by rule provide for an appropriate deposit of cash or securities, a letter of credit, or the assignment of coverage of other bonds if the department is satisfied that comparable or more extensive coverage results.”

NOW, THEREFORE, the condition of this obligation is such that if he said principal obligor herein shall faithfully account for all monies collected upon accounts entrusted to him and his employees and agents, then this obligation shall be void; otherwise the same shall be in full force and effect.

PROVIDED, HOWEVER, in no event shall be the aggregate liability of the surety under this bond for any and all claims to one or more claimants exceed the penal sum of this bond.

Debt Management Surety Bond for Licensee

Bond Number: _____

The Surety may at any time terminate its obligation hereunder by giving thirty (30) days written notice to said Principal and to the Michigan Department of Insurance and Financial Services, P.O. Box 30220, Lansing, MI 48909-8201, in which even the liability of the Surety shall at the expiration of the said thirty (30) days cease and terminate, except as to such liability of the Principal occurring prior to the expiration of the said thirty (30) days. If the Surety provides 30 days notice of termination of the Bond, the Principal, if continuing in the debt management business, shall furnish a satisfactory new bond before the expiration of the said thirty (30) day period.

This bond becomes effective as of _____, _____, in support of the license(s) issued for the term ending December 31, _____.

IN WITNESS WHEREOF, the parties hereto have hereunto set our hands and affixed our seals this _____ day of _____, _____.

(Name of Firm) (Seal)

By _____
(Officer, Partner, Member, or Sole Proprietor)

(Seal)

By _____

1975 PA 148 as amended requires submission of this form by applicants for a license to do business as a debt management company. Failure to complete and submit this form properly could result in denial, suspension or revocation of your license.

When complete, please mail with Original Bond to:

DIFS -Consumer Finance
PO Box 30220
Lansing MI 48909-7720

Our delivery address is:

DIFS - Consumer Finance
530 W. Allegan Street, 7th Floor
Lansing MI 48933



Michigan Department of Insurance and Financial Services

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Debt Management Applicant's Consent to Service of Process

KNOW ALL MEN BY THESE PRESENTS:

That the undersigned, _____, corporation, partnership, limited liability company, sole proprietor or other organized under the laws of the State of _____ for the purpose of complying with the Debt Management Act, 1975 PA 148, as amended, does hereby irrevocably appoint the Director of the Department of Insurance and Financial Services, and the successors in such office, as its attorney in the State of Michigan upon whom may be served any notice, process or pleading in any action or proceeding against it arising out of or in connection with the debt management business or out of violation of the Debt Management Act; and the undersigned does hereby consent that any such action or proceeding against it may be commenced in any court or competent jurisdiction and proper venue with the State by service of process upon said officer and shall be valid and binding as it service has been made upon the undersigned.

By _____	Title _____	Date _____
By _____	Title _____	Date _____

State of _____

County of _____

Subscribed and sworn to me before this _____ day of _____.

County of _____, State of _____.

My Commission expires _____

(Notary Public)

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Debt Management Employment List

Note: Complete a separate form for each branch office – Make copies as needed

Employee List for:

Firm Name	
Firm's Home Address	
Branch Office Address	
Branch Manager's Name	Branch Phone No.

Employee's Name and Title (List Alphabetically)	Certified Provider	Date Employed as Counselor	*Date of Certification

Signature of Officer, Director, Partner, Proprietor or Member	Date
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*Submit copy of certification certificate from **Michigan** approved provider.

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Debt Management Act Business History Form

PLEASE NOTE: This form MUST be completed for each officer, director, partner, proprietor, and member.

(Note: This form is not required to be completed by a director or its equivalent if he/she does not receive a salary, stock dividend, or other financial benefit from the corporation or equivalent entity, other than reimbursement of the actual expenses incurred in carrying out the duties of a director of that corporation or equivalent entity.)

Make copies as needed.

Name	U.S. Citizen <input type="checkbox"/> YES <input type="checkbox"/> NO	Date of Birth / /
Address		Employment Date / /
Debt Management Firm		Position with this Firm

List your employment for the last ten years starting with current position. Account for all time (if unemployed, disclose and provide dates).

Name of Employer and Complete Address	Position Held	From		To	
		Month	Year	Month	Year

List all home addresses for the past ten years starting with present address. Attach additional pages in necessary.

Number and Street	City	State	From	To
				Present

Debt Management Act Business History Form

Answer each question. If you answer “yes” to any of the following, please attach complete details.

- YES** **NO** Have you been adjudicated as bankrupt or were you ever a partner, director, officer, member or manager of any firm or company which was adjudicated as bankrupt or for which a receiver was appointed whether during the time or within one year after you were connected with it?
- YES** **NO** Have you been the subject of receivership proceedings?
- YES** **NO** Have you made an assignment for the benefit of creditors?
- YES** **NO** Have you been convicted of a misdemeanor or a felony (excluding motor vehicle traffic misdemeanors)?
- YES** **NO** Have you been refused any license by the Department of Insurance and Financial Services or any other governmental body?
- YES** **NO** Have you had any license suspended or revoked?
- YES** **NO** Have you had application for license withdrawn?
- YES** **NO** Have you been charged in any suit with any fraudulent or dishonest acts in any transaction?
- YES** **NO** Have you been involved in any civil litigation arising out of the debt management business?
- YES** **NO** Have you defaulted in the payment of money collected for others?
- YES** **NO** Is there any litigation pending against either yourself or any firm or company of which you are now a partner, officer, director, member, or manager?

Debt Management Act Business History Form

Section 6 of the Debt Management Act requires the Director to evaluate the applicant's experience in the licensed area. Please describe below the experiences that helped to qualify you to work in the debt management industry. Attach additional pages as necessary, a resume may also be attached.

<hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/>

I do hereby certify that the above information is true and correct:

Signature	Date
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Debt Management Financial Statement

DATED: _____

		ASSETS	
CURRENT ASSETS:			
Cash		\$	_____
Marketable Securities		\$	_____
Accounts Receivable			
[Less Allowance for Doubtful Accounts of (\$)]	\$	_____
Notes Receivable		\$	_____
Prepaid Expenses		\$	_____
Other Current Assets		\$	_____
TOTAL CURRENT ASSETS			\$ _____
NON-CURRENT ASSETS:			
Accounts Receivable Non-Current			
[Less Allowance for Doubtful Accounts of (\$)]	\$	_____
Investment:	\$ _____	\$	_____
	(Current Market Value)	(At Cost)	
TOTAL NON-CURRENT ASSETS			\$ _____
FIXED ASSETS:			
Property and Equipment at Cost		\$	_____
Land	\$ _____		
Buildings	\$ _____		
Furniture & Fixtures	\$ _____		
Equipment	\$ _____		
Less Allowance for Deprecation	\$ _____		
Net Property & Equipment		\$	_____
TOTAL FIXED ASSETS			\$ _____
OTHER ASSETS: (DESCRIBE FULLY IN NOTES TO FINANCIAL STATEMENTS)			
Trust Account Balance		\$	_____
TOTAL OTHER ASSETS			\$ _____
TOTAL ASSETS			\$ _____



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Debt Management Financial Statement

LIABILITIES			
CURRENT LIABILITIES			
Accounts Payable		\$ _____	
Notes Payable		\$ _____	
Due to Creditors from Trust Account		\$ _____	
Accrued Expenses		\$ _____	
Insurance & Taxes Payable		\$ _____	
Long-Term Debt (Current Portion)		\$ _____	
Other Current Liabilities		\$ _____	
TOTAL CURRENT LIABILITIES			\$ _____
LONG-TERM LIABILITIES:			
Long-Term Debt	\$ _____		
Less Current Portion	\$ _____		
Net Long-Term Debt		\$ _____	
Other Long-Term Liabilities		\$ _____	
TOTAL LONG-TERM LIABILITIES			\$ _____
TOTAL LIABILITIES			\$ _____

NET WORTH OR EQUITY			
NOTE: Complete only A or B			
A) Sole Proprietorship or Partnership complete this portion:			
Net Worth (Assets Less Liabilities)			\$ _____
B) Corporation complete this portion:			
Equity:			
a) Capital Stock (Par Value)	\$ _____		
Authorized	\$ _____		
Issued & Outstanding	\$ _____		
b) Donated Capital			\$ _____
c) Other			\$ _____
d) Retained Earnings: (Accumulated Deficit)			\$ _____
TOTAL EQUITY			\$ _____
TOTAL NET WORTH (FROM A or B)			\$ _____
TOTAL LIABILITIES AND NET WORTH OR EQUITY			\$ _____

Alternative Bond In Lieu of Michigan Based Trust Account

Bond Number: _____

That _____
(Name of Firm or Person if Sole Proprietor)

operating as _____
(Name of Firm)

(State of Corporation, Partnership, Limited Liability Company, or Individual)

(List Complete Address of all Offices covered by this Bond)

as Principal and _____, a Surety Company authorized to transact business in Michigan, as surety, are held and firmly bound unto the People of the State of Michigan

in the penal sum of _____ lawful money of the United States, to be paid to the people of the State of Michigan, for which payment will and truly be made, we bind ourselves and our heirs, executors, administrators, personal representatives, and successors, jointly and severally, firmly by these presents.

WHEREAS, the said _____
(Name of Firm)

principal obligor herein, is filing herewith an application to the Michigan Department of Insurance and Financial Services for a license to engage in the business of debt management at the office(s) listed above under the provisions of 1975 PA 148, as amended; and

“If a trust account described in subsection (1) is maintained at a financial institution described in subsection (1) that is located outside of this state, the licensee shall furnish a surety bond or irrevocable letter of credit for the benefit of the people of the state of Michigan, in an amount that is equal to or exceeds 100% of the average amount of deposits held in the trust account from month to month and is in a form approved by the department. This requirement is in addition to an applicant’s obligation under section 5(2)(c).”

NOW, THEREFORE, the condition of this obligation is such that if the said principal obligor herein shall faithfully account for all monies collected upon accounts entrusted to him and his employees and agents, then this obligation shall be void, otherwise the same shall be in full force and effect.

PROVIDED, HOWEVER, in no event shall the aggregate liability of the surety under this bond for any and all claims to one or more claimants exceed the penal sum of this bond.

Alternative Bond In Lieu of Michigan Based Trust Account

Bond Number: _____

The Surety may at any time terminate its obligation hereunder by giving thirty (30) days written notice to said Principal and to the Michigan Department of Insurance and Financial Services, P.O. Box 30220, Lansing, MI 48909, in which event the liability of the Surety shall at the expiration of the said thirty (30) days cease and terminate, except as to such liability of the Principal occurring prior to the expiration of the said thirty (30) days. If the Surety provides 30 days notice of termination of the Bond, the Principal, if continuing in the debt management business, shall furnish a satisfactory new bond before the expiration of the said thirty (30) day period.

This bond becomes effective as of _____, _____, in support of the license(s) issued for the term ending December 31, _____.

IN WITNESS WHEREOF, the parties hereto have hereunto set our hands and affixed our seals this _____ day of _____, _____.

(Name of Firm) (Seal)

By _____
(Officer, Partner, Member, or Sole Proprietor)

(Seal)

By _____

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