

Alaska Small Loan Company Application- Checklist

Please read these instructions carefully before preparing your application.

GENERAL INSTRUCTIONS- To ensure there are no delays in the review of your application:

Applications for licenses must be completed on the enclosed forms. Incomplete applications will not be considered for processing until all outstanding items have been submitted and fees paid.

All required forms, which have been attached for your convenience, are listed below:

- Alaska Company Uniform Application Form*
 - Alaska Affidavit Form*
 - MU2 Form*
 - State Regulatory Questionnaire*
 - Small Loan Act License Bond*
- Documents can be accessed by clicking the paperclip icon located on the left hand panel and selecting the appropriate form.

If not completed as a fill-in document, please use a typewriter or print clearly in black ink. Legible photocopies with original signatures are acceptable. All forms are to be fully completed. Insert "N/A" or "NOT Applicable" where appropriate. When space is insufficient, a separate page should be used. Information on inserted pages must be keyed by letter and number to appropriate questions. The application, supplemental pages and other related information shall be provided under oath and shall be filed at the address noted below.

ALASKA AUTHORITY

Alaska Statute 06.01.025 Records of the Department

Information in the records of the department obtained through the administration of this title is confidential, is not subject to subpoena, and may be revealed only with the consent of the department.

You are responsible for reviewing the **Alaska Small Loans Act (AS 06.20) and accompanying regulation (3 AAC 12)** to ensure familiarity and compliance. These are available online: <http://www.legis.state.ak.us/basis/statutes.asp#06.20>. Alaska statutes and administrative code may be assessed from the Internet at: <http://www.legis.state.ak.us/basis/aac.asp#3.12>.

FEES

License Type	Application Fee	Licensing Fee
Alaska Small Loans Act AS 06.20.030(a) and (b)	<input type="checkbox"/> \$1,000 as partial payment of investigation expenses (non-refundable)*	<input type="checkbox"/> \$500 for single location <input type="checkbox"/> \$2000 for multiple locations (non-refundable)

*Investigation expenses incurred by the department in processing the application for licensure shall be charged to and paid by the applicant under AS 06.01.010. Those costs will be billed separately upon the completion of the investigation.

Please note, you will receive an invoice for investigative fees related to the issuance of a new license.

For U.S. Postal Service and Overnight Delivery:

State of Alaska, Department of Commerce, Community & Economic Development
Division of Banking & Securities
333 Willoughby Avenue, 9th Floor
State Office Building
Juneau, Alaska 99801

The application should not be filed until all required documentation is complete and ready for submission. The Department will review the filing and communicate with you through electronic mail, at which time any additional documents will be requested.

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APPLICATION CHECKLIST

Complete ALL sections of the application and supplemental information OR indicate if an item is *not applicable*. Be sure the application is signed and dated (unsigned applications are returned). Make a copy for your files.

An application to establish a small loan company shall be submitted to the Division of Banking and Securities, within the Department of Commerce, Community, and Economic Development. It is preferred the application be submitted electronically to, financialinstitutions@alaska.gov.

A. Application Procedure to License a Small Loan Company

- 1) **Application Form (AS 06.20.020)**- To complete, click the paperclip icon on the left hand panel and select the *Alaska Uniform Company Application Form*.
- 2) **Alaska Affidavit Form**- To complete, click the paperclip icon on the left hand panel and select the *Alaska Affidavit Form*. Include supporting documentation for question #6b, if applicable.
- 3) **Business License/Entity Registration:** Enter your State of Alaska Business License and/or Entity Registration Number on the Business License/Entity Registration line. DBSC will use this number to verify that you have completed two prerequisite items:
 - a. State of Alaska Business License
 - Domestic Business.** If the applicant was organized or formed inside Alaska; submit a copy of the current Alaska business license.
 - Sole Proprietorship.** If the applicant is a sole proprietor, whether **foreign** or **domestic**, submit a copy of the current Alaska business license. Business licenses are issued by the Alaska Division of Corporations, Business and Professional Licensing, (907) 465-2550 or <http://www.commerce.alaska.gov/web/cbpl/BusinessLicensing.aspx>. You **register** trade names ("DBA") on your business license as well.
 - b. Registration with the State of Alaska
 - Domestic Business.** If your company is not a sole proprietorship, you must register the company with the Alaska Division of Corporations, Business, and Professional Licensing, (907) 465-2550 or <http://www.commerce.alaska.gov/web/cbpl/Corporations.aspx>
 - Foreign Corporation.** If your company was not formed or incorporated in the state of Alaska, you must register the company as a Foreign Corporation with the Alaska Division of Corporations, Business, and Professional Licensing, (907) 465-2550 or <http://www.commerce.alaska.gov/web/cbpl/Corporations.aspx>
- 4) Submit a certified resolution of Board of Directors authorizing the filing by the corporation of the application to establish a Small Loan Company in Alaska.

B. Company Business Documents

- 1) **Business Plan:** Submit a business plan detailing the following but not limited to marketing/advertising strategies, products, target markets, fee schedule, operating structure, trade names, specifics for doing business with Alaska consumers, and other pertinent information to help the Division understand your business model.
- 2) **Formation Document:** Submit a certified copy of:
 - The Corporate Charter or Articles of Incorporation (if a corporation), **or**
 - The Articles of Organization and Operating Agreement (if a LLC), **or**
 - The Partnership Agreement (if a partnership of any form).

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- 3) **Organizational Chart:** Submit an organizational chart if applicant is owned by another entity, entities or person, or has subsidiaries or affiliated entities.
- 4) **Management Chart:** Submit an organizational chart showing the applicant's divisions, officers, and managers.
- 5) **Certificate of Good Standing:** Submit a certificate issued by the state in which the corporation, limited liability company (LLC) or partnership was organized or formed, demonstrating that the corporation or LLC exists or is authorized to do business in the state. The certificate must be dated not more than 60 days prior to the filing of an application.
- 6) **MU2 Form:** Provide for **each** individual listed in # 17, and **each** individual listed in # 18 of the *Alaska Company Uniform Application Form*, if applicable. To complete, click the paperclip icon on the left hand panel and select *MU2 Form*.
 - a. Residential History- Give a complete address history for the past 10 years, starting with current address.
 - b. Employment History- Provide a complete employment history for the past 10 years. Account for all time including full & part-time employments, self-employment, military service, and homemaking. Also include periods such as unemployed, full-time student, extended travel, etc. Indicate by "YES" or "NO" whether this employment was *financial service-related* business.
- 7) **Bankruptcy/Receivership Information**
- C. **Licensing History-** List all small loan company licenses currently held, applied for, denied or revoked
 - 1) Copies of all regulatory actions, state or federal
 - 2) Submit a list of states the applicant is currently licensed in and have received a *State Regulatory Questionnaire* from the applicant. If you are in need of additional questionnaires, click the paperclip icon on the left hand panel and select *State Regulatory Questionnaire*.
- D. **Litigation**
 - 1) Brief synopsis of all pending litigation
 - 2) List all closed litigation for 10 years prior to date application submitted
- E. **Small Business Loan Locations**
 - 1) List all states where company is currently engaged in the Small Loan business
 - 2) Provide a list of all other businesses and business activities that will operate out of the office location other than small loan transactions (3 AAC 12.070)
- F. **Surety Bond-** Submit an original surety bond in the amount of \$25,000, furnished by a surety company authorized to conduct business in Alaska. The name of the principal insured on the bond must match exactly the Full Legal Name of applicant and applicant DBA. (AS 06.20.50) The bond should cover from the date of the application to January 1 of the following year. To complete, click the paperclip icon on the left hand panel and select the *Small Loan Act License Bond* form.
- G. **Financial Information/Net Worth Requirement-** Financial statements must be prepared in accordance with Generally Accepted Accounting Principles and must include a Balance Sheet (statement of assets and liabilities), Income Statement and Profit and Loss Statement.
 - 1) Submit a current financial statement as of the most recent quarter end for the applicant business (or personal financial statements for sole proprietorship).
 - 2) Submit a copy of your most recent audited financial statement and, if available, audited financial statements for the prior two years.
 - 3) If a newly formed business, also provide documentation supporting the method and source of capitalization (where the funding for your business comes from).

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- 4) If applicant is a wholly-owned subsidiary of another corporation, may submit either the parents' consolidated audited financial statement of the current year and prior two years, or the parent's Form 10K reports filed with the United States Securities & Exchange Commission for the prior three years in lieu of the financial statements.
 - 5) Proof of at least \$25,000 in liquid assets (per office location) are available for the operation of the proposed office(s) specified in the application (for example a current bank statement) (AS 06.20.040)
- H. Records and Reports**
- 1) Submit a policy for maintaining books and records per AS 06.20.180
 - 2) Provide samples of application forms, notes, statements to borrowers, receipts, mortgages, assignments, and other instruments in general use by the applicant that are related to loan transactions (3 AAC 12.090)
 - a. Indicate whether loans are open-ended or closed-end
 - 3) Submit monthly charges to the borrower on loans per AS 06.20.230
 - 4) Submit loan maximum terms and rate tables
 - 5) Please specify loan charges and fees in relation to secured and unsecured loans under AS 06.20.260
 - a. Provide a list of fees and a schedule of possible charges such as non-sufficient funds, late payments, and check processing (if applicable)
 - b. Explain any penalties associated with a loan transaction (e.g. prepayment penalties)
 - 6) Submit, in accordance with AS 06.20.270(5), a schedule of charges and the method of computing them to be displayed prominently in each licensed place of business
- I. Advertising**
- 1) Please submit samples of advertising that will be used (as described in the business plan)
 - 2) If institution is located outside the state of Alaska, please explain how the business plans to engage with Alaska consumers and if employees will only work from the assigned home office location
- J. Disclosure Questions:** Provide an explanation for any "Yes" response to #16 on the *Alaska Company Uniform Application Form*. Submit a copy of the **letter of explanation** and any applicable orders or supporting documents to the Division (*including certified court records, judgments, and charging documents as well as release documents for judgments, liens and bankruptcies and copies of regulatory orders and agreements*).