



State Of California  
Business, Transportation And Housing Agency  
DEPARTMENT OF CORPORATIONS  
*California's Investment and Financing Authority*

[www.corp.ca.gov](http://www.corp.ca.gov)

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**Arnold Schwarzenegger**  
*Governor*

**Wayne Strumpfer**  
*Acting California Corporations Commissioner*

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CHANGES TO LICENSING PROCEDURES FOR ADDITIONAL LOCATIONS OF  
LICENSED FINANCE LENDERS

This release summarizes pertinent portions of Assembly Bill 1419 (Chapter 196, Statutes of 2005) relating to procedures for licensed finance lenders to open an additional location and its impact on finance lenders under the California Finance Lenders Law (Financial Code Section 22000 et. seq.).

AB 1419 was signed by Governor Arnold Schwarzenegger on September 6, 2005, and is effective on January 1, 2006. AB 1419 provides for the following:

- APPLICATION FOR ADDITIONAL LOCATION
  - Currently, Financial Code Section 22102 requires licensed finance lenders to obtain a separate license for each additional location prior to opening by filing a "Short Form Application" for a license, Form 839(a).
  - Effective January 1, 2006, Financial Code Section 22102(a) will provide that a licensee seeking to open an additional location may do so by filing an application with the Commissioner, by certified mail, return receipt requested, at least 10 days before engaging in business at the additional location and paying the \$300 fee. Thus, a licensee may engage in business at the additional location 10 days after the mailing of the required application. (Financial Code Section 22102(c)) A licensee may not use a name at the additional location that is not approved by the Commissioner. (Financial Code Section 22102(e))
  - Licensees seeking to open an additional location should continue to use the current "Short Form Application", Form 839(a).

- Proof of certified mailing shall establish the date of notice or filing of an application.
  - Within ten days of submitting the application for an additional location, the license number assigned to the location may be obtained from the Department's website at [www.corp.ca.gov](http://www.corp.ca.gov). Select the link for Financial Services Licensee Listing.
  - Since the effective date of this change is January 1, 2006, applications for additional locations must be mailed on or after January 1, 2006 for the new licensing procedures to apply. Applications mailed prior to January 1, 2006 shall be subject to the current application procedures (i.e. license must be obtained prior to opening).
- PERSON RESPONSIBLE FOR LENDING ACTIVITY AT THE ADDITIONAL LOCATION
- Currently, Financial Code Section 22105 provides for the Commissioner's investigation of applicants and relevant persons prior to issuing a license for an additional location.
  - Effective January 1, 2006, Financial Code Section 22102(d) will allow the Commissioner 90 days from the date of receipt of the application to approve or deny the person responsible for the lending activity at the additional location in accordance with Financial Code Section 22109 and to notify the licensee of the decision. If the Commissioner denies the application, the licensee shall submit a new application to the Commissioner designating a different person responsible for the lending activity at the additional location within 10 days.
- CIVIL OR ADMINISTRATIVE PENALTY
- Effective January 1, 2006, Financial Code Section 22153(b) also allows the Commissioner to assess a civil or administrative penalty of \$500 for failure to provide notice of an additional location at least 10 days prior to engaging in business at that location or if notice is not given at least 10 days prior to the change of a street address of a place of business.

WAYNE STRUMPFER  
Acting California Corporations Commissioner

By \_\_\_\_\_  
TIMOTHY L. Le BAS  
Deputy Commissioner and General Counsel  
Office of Law and Legislation  
(916) 322-3553