

Michigan Department of Licensing and Regulatory Affairs  
Bureau of Commercial Services  
Licensing Division  
COLLECTION AGENCY LICENSING  
P.O. Box 30018, Lansing, MI 48909  
517-335-6073  
517-373-1044 Fax  
www.michigan.gov/collections

## COLLECTION AGENCY LICENSE CHECKLIST REQUIREMENTS AND APPLICATION INSTRUCTIONS

### Check Off To Ensure Complete Packet Submitted

APPLICATION FOR COLLECTION AGENCY LICENSE

APPLICATION FOR COLLECTION AGENCY MANAGER if a non-owner will manage the agency.

The licensed collection agency manager is the person responsible for the operation of the agency, and each agency must be under the personal supervision of a licensed manager or owner-manager. A licensed manager cannot supervise more than one office. Both manager types are required to take a written examination.

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Depending upon the structure of the collection agency, you will need to furnish the following documentation:

#### IN STATE AGENCIES:

**AGENCY OWNER/SOLE PROPRIETOR** - Certificate of Assumed Name (ID.B.A)

- If the Collection Agency will be doing business under a name other than the owner's, sole proprietors obtain this assumed name certificate (commonly called a "D.B.A.") from your local County Clerk's Office.

**PARTNERSHIP** - Certificate of Co-Partnership

- The Certificate must include names, addresses, and signatures of all partners.
- The Certificate may be obtained from your local County Clerk's office.
- If partnership has a dba, include that document with the application.

**CORPORATIONS AND LIMITED LIABILITY COMPANIES**

- Michigan Corporation Identification Number.
- Certificate of Assumed Name (D.B.A.), if you will be doing business under a name different from the name of the corporation/llc.
- These may be obtained by contacting the Michigan Department of Licensing and Regulatory Affairs,

Bureau of Commercial Services, Corporation Division, P.O. Box 30222; Lansing, MI 48909,  
517-241-6470, www.michigan.gov/corporations. The Department will verify the formation and status of

**OUT-OF-STATE AGENCIES:** Require a Certificate of Authority to Transact Business in Michigan (Bureau of Commercial Services, Corporation Division, 517-241-6470; www.michigan.gov/corporations

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Additional Requirements for Licensure:

**COLLECTION AGENCY BOND** (original signed bond with certificate of power-of-attorney attached)

**SURETY** - Agency applicants must obtain a surety bond in the amount of \$5,000 for the first year of operation.

The amount of the required bond for subsequent years will be based on the amount of average monthly business as reported on the Annual Report of Business and Operations, which must be filed with the Department before May 16. If your annual report indicates that the bond needs to be increased, notify your Surety company to raise the bond. Proof of the required bond must be submitted to the Department by the Surety company. If a bond is canceled, it is the agency's responsibility to maintain continuous coverage and provide proof.

A repossession agency seeking a license in Michigan must obtain a surety bond in the amount of \$10,000 for the first year of operation. If the Annual Report indicates that the bond needs to be increased, notify your Surety Company to raise the bond. Proof of the required bond must be submitted to the Department by the Surety company. Cash bonds are acceptable - contact the Department for the cash bond form.

**CASH** - A cash bond may be filed in lieu of a surety bond (LCS-055)

**INFORMATION:**

**TRUST ACCOUNT**

- The applicant agency shall maintain a separate trust account for Michigan clients. The trust account shall be identified and distinguished from the collection agency's personal or general checking or other depository account and shall be designated as a Michigan trust account. All money collected shall be deposited within 3 banking days after receipt.

**IMPORTANT NOTE**

It is unlawful to operate a collection or repossession agency without a bond. In the event a bond is canceled or not renewed, to insure continued operation, the agency must obtain replacement coverage, supply the Department with a new bond, or post a cash bond in the appropriate amount.

**CHANGES IN AGENCY INFORMATION**

- Any change in ownership, corporate structure, partnership, name, or address must be furnished in writing to the Department of Licensing and Regulatory Affairs within 30 days.
- There is a \$10.00 fee for each license that needs to be reissued as a result of a change.
- A bond rider is required for a change in the business name or address.
- Loss of agency manager: the agency has 30 days to obtain a new manager and submit an application for manager's license to the Department.
- Request for Record Change form (BCS/LCA-800) available on web at: [www.michigan.gov/collections](http://www.michigan.gov/collections)

**RENEWAL INFORMATION**

- Collection agency and collection agency manager licenses expire annually on June 30.
- Agency renewal: \$125.00
- Non-owner manager: \$50.00
- The Department will notify you by mail how to renew the license(s).

**BRANCH OFFICE REQUIREMENTS**

- A collection agency license and licensed manager is required for each place of business.
- A collection agency manager shall not personally supervise more than 1 office.

**RESIDENT OFFICE REQUIREMENTS FOR OUT-OF-STATE APPLICANTS**

- Not required under state law.

**EXPRESS/OVERNIGHT ADDRESS**

Department of Energy, Labor & Economic Growth  
State Secondary Complex  
7150 Harris Dr.  
1st Floor, B-Wing  
Lansing, MI 48913

If you have questions about the application process, contact the Department at 517-335-6073 or visit our website at [www.michigan.gov/collections](http://www.michigan.gov/collections) for assistance.

Michigan Department of Licensing and Regulatory Affairs  
 Bureau of Commercial Services - Licensing Division  
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 P.O. Box 30018, Lansing, MI 48909  
 517-335-6073 Fax: 517-373-1044  
 www.michigan.gov/collections

## COLLECTION AGENCY LICENSE APPLICATION

AUTHORITY: P.A. 299 of 1980, as amended  
 COMPLETION: Mandatory  
 PENALTY: Failure to complete may result in denial of your application

SECTION 1 - General Applicant Information - TYPE OR PRINT RESPONSES IN BLACK INK			
Name of Collection Agency		Collection Agency Permanent ID Number, if relicensing <b>2401</b>	
Assumed Name, if applicable		Federal Employer I.D. Number	
Address (Number, Street - Do Not Use a PO Box Only)		Michigan Corporation ID Number	
City	State	ZIP	Daytime Telephone Number
Check Type of Business Structure <input type="checkbox"/> Individual <input type="checkbox"/> Partnership <input type="checkbox"/> LLC <input type="checkbox"/> Corporation			
Owner/Manager Title <input type="checkbox"/> Sole Proprietor <input type="checkbox"/> Partner <input type="checkbox"/> Member <input type="checkbox"/> Office Held _____			
Check Type of Agency <input type="checkbox"/> Collection Agency      \$5,000 Surety or Cash Bond required to apply <input type="checkbox"/> Repossession Agency      \$10,000 Surety or Cash Bond required to apply			
SECTION 2 - Owner-Manager Information (Non-Owner Managers Apply Separately)			
Name of Owner-Manager (First, Middle, Last)		Date of Birth	Social Security Number
Address (Number, Street)	City	State	ZIP
Home Telephone Number	E-mail Address	Owner-Manager ID Number, if applicable <b>2402</b>	
FEE PAYMENT INFORMATION (Check One)		FOR OFFICE USE ONLY - VALIDATION	
<input type="checkbox"/> New License	Fee - \$225.00	2401-01	
<input type="checkbox"/> Relicensure	Fee - \$245.00	2401-06	
<input type="checkbox"/> Reinstatement*	Fee - \$100.00	2401-50	
(*license has been revoked by the Department/Board and you wish a new application to be considered.)			
<b>\$100.00 OF EACH FEE IS NON-REFUNDABLE</b>			
Make your check or money order in U.S. Currency payable to:  <b>STATE OF MICHIGAN</b>			
FEES ARE NOT REFUNDED EXCEPT UNDER AUTHORITY P.A. 152 OF 1979, AS AMENDED AND R338.943 AND R338.944.			

**SECTION 3- Owner Background Information - Please check appropriate box and provide details where requested.**

1. Has the owner ever held a Michigan Collection Agency License?

 Yes - Give dates and name of licensed agency, license ID Number and approximate date: No

2. Has the owner ever held a Collection Agency License in any other state?

 Yes - Give date(s): No

By signing this application, applicant is attesting that the licensed collection agency named is in good standing in each state in which they currently held or in which a collection agency license was ever held.

3. Has the owner ever been convicted of a felony?

 Yes - Please download the form BCS/LCE-020 "Request for Conviction History of Applicant". The form can be downloaded and completed to accompany this application. See [www.michigan.gov/collections](http://www.michigan.gov/collections) and select Forms & Publications. The form must be included to avoid delays in processing your application. No

4. Has the owner ever had disciplinary action taken against any license, registration, certificate or permit now held or that he/she ever held? (Includes but is not limited to final orders, suspension, revocation, denial, cease and desist order, etc.)

 Yes - Please download the form BCS/LCE-021 "Request for Disciplinary Action Information". The form can be downloaded and completed to accompany this application. See [www.michigan.gov/collections](http://www.michigan.gov/collections) and select Forms & Publications. The form must be included to avoid delays in processing your application. No

5. Has the owner named in the Application ever used another name?

 Yes - Explain: No**SECTION 4- Certification and Signatures - This portion MUST be properly signed before your application for a collection agency license will be processed.**

I hereby certify that the statements in this application are true and correct. I have not withheld information which might affect the decisions to be made on this application. I am aware that a false statement or dishonest answer may be grounds for denial of my application or disciplinary action against my license, or may be punishable by law. I hereby authorize the Michigan Department of Licensing and Regulatory Affairs and its agents to examine the books and records and check civil, criminal, and administrative records at the discretion of the Department.

\_\_\_\_\_

(Owner/Manager Signature)

\_\_\_\_\_

(Date)

Michigan Department of Licensing and Regulatory Affairs  
Bureau of Commercial Services - Licensing Division  
COLLECTION AGENCY LICENSING  
P.O. Box 30018, Lansing, MI 48909  
517-373-7353; Fax: 517-373-1044  
www.michigan.gov/collections

FOR OFFICE USE ONLY	
Date of Exam	Date of Issuance
<input type="checkbox"/> Passed <input type="checkbox"/> Failed	I.D. Number

## COLLECTION AGENCY MANAGER LICENSE APPLICATION

AUTHORITY: P.A. 299 of 1980, as amended  
COMPLETION: Mandatory  
PENALTY: Failure to complete may result in denial of your application

### APPLICANT INSTRUCTION AND INFORMATION:

1. Please print in black ink or type your responses.
2. The Department will obtain and review credit information in accordance with the Fair Credit Reporting Act for the agency Owner/Manager and all principals of the agency. Applicants may be asked to clarify items which could have an impact on whether a license can be issued.
3. All out-of-state applicants must fill out a Consent to Service of Process form. Form can be downloaded at: [www.mi.gov/collections](http://www.mi.gov/collections).
4. Examinations are administered by PSI Service, LLC. When the application is approved, the Department will notify you to register for the exam at: [www.psiexams.com](http://www.psiexams.com).
5. All licenses expire on June 30th, annually.

### SECTION 1 - GENERAL APPLICATION INFORMATION - Type or print responses in black ink

Applicant's Name (Last, First, Middle)		Permanent ID Number if Applying for Relicensure	
Applicant's Home Address (Street, City, State, ZIP) NO PO BOX		Date of Birth	% of Stock Held
Social Security Number	Daytime Telephone Number	Applicant E-mail Address	
Name of Collection Agency	Name of Agency Owner or President	If currently licensed: Agency Permanent ID#	
Complete Address of Collection Agency (Street, City, State, ZIP) NO PO Box			
Signature of Agency Owner or President			

### SECTION 2 - MANAGER INFORMATION (Check One)

- Owner-manager: Complete for Information Only  
 Principal Manager  
 Principal Manager Replacing: \_\_\_\_\_  
 Back-Up Manager

### FEE PAYMENT INFORMATION (Check Appropriate Box)

- |  |               |         |
|--|---------------|---------|
| <input type="checkbox"/> NON-OWNER MANAGER LICENSE   | Fee: \$ 85.00 | 2402-01 |
| <input type="checkbox"/> OWNER MANAGER - INFORMATION ONLY  | No Fee        |         |
| <input type="checkbox"/> NON-OWNER MANAGER RELICENSURE<br>(License has been expired/lapsed more than 60 days<br>after June 30 expiration date) | Fee: \$105.00 | 2402-06 |

**\$35.00 OF EACH LICENSE FEE IS NON-REFUNDABLE**

Make your check or money order in U.S. Currency payable to:

**STATE OF MICHIGAN**

FEES ARE NOT REFUNDED EXCEPT UNDER AUTHORITY P.A. 152 OF 1979, AS AMENDED AND R338.943 AND R338.944.

### FOR OFFICE USE ONLY - VALIDATION

**SECTION 3 - BACKGROUND INFORMATION - Please check appropriate box and provide details where requested**

Have you ever been convicted of a felony?

Yes - Please download the form BCS/LCE-020 "Request for Conviction History of Applicant". The form can be downloaded and completed to accompany this application. See [www.michigan.gov/collections](http://www.michigan.gov/collections) and select Forms & Publications. The form must be included to avoid delays in processing your application.  No

Have you ever had disciplinary action taken against any license, registration, certificate or permit you now hold or have ever held? (Includes but is not limited to final orders, suspension, revocation, denial, cease and desist order, etc.)

Yes - Please download the form BCS/LCE-021 "Request for Disciplinary Action Information". The form can be downloaded and completed to accompany this application. See [www.michigan.gov/collections](http://www.michigan.gov/collections) and select Forms & Publications. The form must be included to avoid delays in processing your application.  No

Have you ever held a collection agency manager or owner/manager license in any other state(s)? If yes, please list all states in which you have ever held or currently hold a collection agency or manager license. By signing this application, you are attesting that this manager is in good standing in each state in which he/she currently holds or have held a collection manager license.

Yes States: \_\_\_\_\_  No

Relicensure Applicants: If you have ever held a Michigan license as an owner-manager or manager of a collection agency, you must apply for relicensure. Have you ever used another name under which records may be filed? If yes, please provide:

Yes Previous license information or other name used: \_\_\_\_\_  No

Please indicate the level of education achieved by checking the box below:

High School       GED       College

**SECTION 4 - VERIFICATION OF EXPERIENCE (Attach Additional Sheets as Necessary)**

1a. **COLLECTION EXPERIENCE:** Section 911(B) and Rule 5 state collection agency owners or managers must have at least 6 months of full-time experience in the collection of accounts. Do you meet this requirement? (If applying for a license to repossess, go to question #2.)

Yes  No

1b. The 1,000 hours must be earned through experience which includes collection of debts and property from consumers or debtors AND through employment with a licensed collection agency or the credit or collection department of a business or financial institution engaged in collecting debts on its own behalf. (see Rule 5 for further detail.) List collection agency/agencies where you gained experience:

Name of Agency	From(date) _____ to _____	Hours:
----------------	---------------------------	--------

Complete Mailing Address (No PO Box)

Contact Person	Daytime Telephone number
----------------	--------------------------

Name of Agency	From(date) _____ to _____	Hours:
----------------	---------------------------	--------

Complete Mailing Address (No PO Box)

Contact Person	Daytime Telephone number
----------------	--------------------------

Name of Agency	From(date) _____ to _____	Hours:
----------------	---------------------------	--------

Complete Mailing Address (No PO Box)

Contact Person	Daytime Telephone number
----------------	--------------------------

Name of Agency	From(date) _____ to _____	Hours:
----------------	---------------------------	--------

Complete Mailing Address (No PO Box)

Contact Person	Daytime Telephone number
----------------	--------------------------

Name of Agency	From(date) _____ to _____	Hours:
----------------	---------------------------	--------

Complete Mailing Address (No PO Box)

Contact Person	Daytime Telephone number
----------------	--------------------------

2a. **REPOSSESSION EXPERIENCE:** Section 901 (b) and Rule 5 define a collection agency as "...a person directly...repossessing or attempting to repossess a thing of value.." Have you met the six month experience requirement in repossessing?

Yes

No

2b. The 1,000 hours must be earned through experience which includes collection of debts and property from consumers or debtors AND through employment with a licensed collection agency or the credit or collection department of a business or financial institution engaged in collecting debts on its own behalf. (see Rule 5 for further detail.) List collection agency/agencies where you gained experience:

Name of Agency	From(date) _____ to _____	Hours:
Complete Mailing Address (No PO Box)		
Contact Person	Daytime Telephone Number	
Name of Agency	From(date) _____ to _____	Hours:
Complete Mailing Address (No PO Box)		
Contact Person	Daytime Telephone Number	
Name of Agency	From(date) _____ to _____	Hours:
Complete Mailing Address (No PO Box)		
Contact Person	Daytime Telephone number	
Name of Agency	From(date) _____ to _____	Hours:
Complete Mailing Address (No PO Box)		
Contact Person	Daytime Telephone number	
Name of Agency	From(date) _____ to _____	Hours:
Complete Mailing Address (No PO Box)		
Contact Person	Daytime Telephone number	

**SECTION 5 - Applicant's Certification**

I hereby certify that the statements in this application are true and correct. I have not withheld information which might affect the decisions to be mad on this application. I am aware that a false statement or dishonest answer may be grounds for denial of may application or disciplinary action against my license, or may be punishable by law. I hereby authorize the Department of Licensing and Regulatory Affairs and its agents to investigate any statements made by me in application, including checking criminal, civil and administrative records. I further authorize the Department or its agents to examine by books and records at the Department's discretion.

\_\_\_\_\_  
Applicant's Signature

\_\_\_\_\_  
Date

Michigan Department of Licensing and Regulatory Affairs  
Bureau of Commercial Services - Licensing Division  
COLLECTION AGENCY LICENSING  
P.O. Box 30018, Lansing, MI 48909  
517-335-6073  
517-373-1044 (fax)  
www.michigan.gov/collections

Bond No.:
Effective Date:

### COLLECTION AGENCY SURETY BOND

AUTHORITY: P.A. 299 of 1980, as amended  
COMPLETION: Mandatory  
PENALTY: Failure to complete may result in denial of your application

Know All Persons By These Presents, That \_\_\_\_\_  
 a sole proprietor or partnership doing business as \_\_\_\_\_,  
 or \_\_\_\_\_ a Corporation or Limited Liability  
 Company doing business as \_\_\_\_\_ with its  
 office located at \_\_\_\_\_ in the State of \_\_\_\_\_  
 City of \_\_\_\_\_ County of \_\_\_\_\_ and the State of Michigan,  
 as principal and \_\_\_\_\_, a surety  
 company duly authorized and existing under and by virtue of the laws of the state of \_\_\_\_\_ with its principal office at  
 \_\_\_\_\_, and admitted to do business in the State of Michigan, as surety, are held  
 and firmly bound unto the State of Michigan and persons damaged by the principal's failure to satisfy its responsibilities as set  
 forth in the condition hereof in the sum of \$ \_\_\_\_\_ to the payment whereof, the above parties truly bind  
 themselves, their heirs, executors, administrators, successors and assigns, jointly and severally, and each of them, firmly by  
 these presents.

WHEREAS, the principal desires to act as a collection agency licensed by the State of Michigan under The Occupational Code, Public Act 299 of 1980, as amended, and

WHEREAS, Public Act 299 of 1980, as amended, requires each collection agency licensee thereunder to file and maintain in force a corporate surety or cash bond conditioned upon the faithful accounting of all moneys collected upon accounts entrusted to the licensee in a form prescribed by the Michigan Department of Licensing and Regulatory Affairs for the benefit of all persons damaged by the wrongful taking of money collected by the agency, or licensee, or failure of the licensee to report or remit proceeds of collections made; and

WHEREAS, this corporate surety is executed pursuant to and for the purposes set forth in Public Act 299 of 1980, as amended; and

WHEREAS, the above parties agreed that the Michigan Department of Licensing and Regulatory Affairs will rely hereon if said Department issues a collection agency license to the principal; and

WHEREAS, the above parties agree that this corporate surety shall be effective upon approval hereof by the Department and in no event later than the time at which a collection agency license is issued to the principal; and

WHEREAS, the above parties agree that this bond may not lapse or be canceled prior to thirty (30) days after the surety gives the Department of Licensing and Regulatory Affairs written notice of such lapse or cancellation and that the surety shall remain liable for any breach of condition occurring up to the effective date of cancellation.

NOW, THEREFORE, the condition of this obligation is that if the above named principal fails to faithfully account for all moneys collected upon accounts entrusted to the principal or if the principal fails to report or remit proceeds of collections made, the bond shall indemnify any person damaged thereby, provided that the aggregate liability of the State to all such persons shall not exceed the sum of this bond.

Signed and sealed as herein set forth.

Witnessed by:	Date	_____ (L.S.)
_____	_____	Owner/President
Witnessed by:	Date	_____ (L.S.)
_____	_____	_____ (L.S.)
Witnessed by:	Date	_____ (SEAL)
_____	_____	Surety

Note: If partnership, all partners must sign.  
If corporation, president or secretary signs indicating title of signatory.  
If LLC, Member or Manager must sign.

I hereby approve the foregoing bond.

\_\_\_\_\_  
Department of Licensing and Regulatory Affairs  
Director or Designated Representative

ATTORNEY-IN-FACT: Please enter your address and telephone number below:

ADDRESS \_\_\_\_\_

TELEPHONE NO. \_\_\_\_\_