

## LICENSE REQUIREMENTS AND APPLICATION INSTRUCTIONS AND CHECKLIST

### Check Off To Ensure Complete Packet Submitted

- APPLICATION FOR COLLECTION AGENCY LICENSE
- APPLICATION FOR COLLECTION AGENCY MANAGER

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. A licensed manager cannot supervise more than one office. An applicant for a collection agency manager's license is required to take a written examination, given in Michigan.

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Depending upon the structure of your business, you will need to furnish these documents (photocopies are acceptable) with your application(s) and fee(s):

#### IN STATE AGENCIES:

- AGENCY OWNER/PROPRIETOR** - Certificate of Assumed Name (D.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.
- 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 Energy, Labor & Economic Growth, Bureau of Commercial Services, Corporation Division; P.O. Box 30222; Lansing, MI 48909, 517-241-6470, [www.michigan.gov/corporations](http://www.michigan.gov/corporations).
- 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.

#### OUT-OF-STATE AGENCIES:

- A Certificate of Authority to Transact Business in Michigan (Bureau of Commercial Services, Corporation Division 517-241-6470; [www.michigan.gov/corporations](http://www.michigan.gov/corporations))
- An irrevocable Consent to Service of Process (BCS/LBL-900) for both manager and agency.

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#### Additional Requirements for Licensure:

- COLLECTION AGENCY SURETY BOND** (original signed bond with certificate of power-of-attorney attached)
  - Agency applicants must obtain a surety bond, on the Department's form, 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.
- DEBT COLLECTOR'S ASSUMED NAME REGISTRATION FORM**
  - An employee who is using a name other than the employee's own name must register the assumed name with the Department. If no aliases are used by collectors, please state that on the form and submit.

**CREDIT INFORMATION**

- The Department will obtain and review credit information in accordance with the Fair Credit Reporting Act or the agency 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.

**FINANCIAL STATEMENT FOR COMPANIES**

- Submit most recent Financial Statements (Balance Sheet and Income Statement) of any company owning stock in the applicant agency.

**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.

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**CHANGES IN AGENCY INFORMATION**

- Any change in ownership, corporate structure, partnership, name, or address must be furnished in writing to the Department of Energy, Labor & Economic Growth 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.
- An irrevocable consent to Service of Process (BCS/LBL-900) is required for a change in the business name and address for all out-of-state agencies.
- 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

**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.  
3rd Floor, B-Wing  
Lansing, MI 48913

If you have questions about the application process, contact the Department at 517-373-7353 or visit our website at [www.michigan.gov/collections](http://www.michigan.gov/collections) for assistance.