



# IL Consumer Legal Funding Company New Application Checklist (Company)

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## CHECKLIST SECTIONS

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## GENERAL INFORMATION

### Who Is Required to Have This License?

"It shall be unlawful for any person or entity to operate as a consumer legal funding provider in this State except as authorized by [the Consumer Legal Funding] Act and without first having obtained a license in accordance with [the Consumer Legal Funding] Act."

"Consumer legal funding company" or "company" means a person or entity that enters into, purchases, or services a consumer legal funding transaction with an Illinois consumer.

"Consumer legal funding" or "funding" means a nonrecourse transaction in which a company purchases and a consumer transfers to the company an unvested, contingent future interest in the potential net proceeds of a settlement or judgment obtained from the consumer's legal claim; if no proceeds are obtained from the consumer's legal claim, the consumer is not required to repay the company the consumer legal funding amount or charges.

### Activities Authorized Under This License

This license authorizes the following activities...

- Consumer Loan Lending - Acting as a lender or creditor by offering to provide or providing funds to a borrower primarily for personal, family or household purposes not including loans secured by real property.
- Consumer Loan Servicing - Providing services which include the receipt of payments, customer service, escrow administration, investor accounting, and collections for consumer loans (not including loans secured by real property).

### Pre-Requisites for License Applications

- None

The Illinois Department of Financial and Professional Regulation does not issue paper licenses for this license type.

## Document Uploads Guidance

Documents that must be uploaded to the *Document Uploads* section of the Company Form (MU1) in NMLS are indicated in the checklist below. When uploading documents:

- Follow the guidance in [Document Upload Descriptions and Examples](#).
- Only upload documents relevant to the company application.
- Do not upload the same company documents multiple times. Generally, unless the document is state-specific, if the document has already been uploaded for another state, a new upload is not required unless changes have been made.
- If a document previously uploaded has been revised, delete the old document and replace it with the new document (history of the old document will remain in NMLS).
- For state-specific documents (e.g., Surety Bonds), be sure to indicate the applicable state.

## Helpful Resources

- [Company Form \(MU1\) Filing Instructions](#)
- [Document Upload Descriptions and Examples](#)
- [Individual Form \(MU2\) Filing Quick Guide](#)
- [Financial Statements Quick Guide](#)
- [Payment Options Quick Guide](#)
- [License Status Definitions Quick Guide](#)

## Agency Contact Information

Contact Consumer Credit Section licensing staff via email to [fpr.consumercredit@illinois.gov](mailto:fpr.consumercredit@illinois.gov) or by phone at (312) 814-5145 for additional assistance.

### *For U.S. Postal Service:*

Illinois Department of Financial and Professional Regulation  
Division of Financial Institutions  
Consumer Credit Section  
555 W. Monroe St. 5<sup>th</sup> Floor  
Chicago, IL 60661

### *For Overnight Delivery:*

Illinois Department of Financial and Professional Regulation  
Division of Financial Institutions  
Consumer Credit Section  
555 W. Monroe St. 5<sup>th</sup> Floor  
Chicago, IL 60661

THE APPLICANT/LICENSEE IS FULLY RESPONSIBLE FOR ALL OF THE REQUIREMENTS OF THE LICENSE FOR WHICH THEY ARE APPLYING. THE AGENCY SPECIFIC REQUIREMENTS CONTAINED HEREIN ARE FOR GUIDANCE ONLY TO FACILITATE APPLICATION THROUGH NMLS. SHOULD YOU HAVE QUESTIONS, PLEASE CONSULT LEGAL COUNSEL.

|                             |  |
|-----------------------------|--|
| <b>NMLS ID Number</b>       |  |
| <b>Applicant Legal Name</b> |  |

**LICENSE FEES** - Fees collected through NMLS are NOT REFUNDABLE OR TRANSFERABLE.

| <b>Complete</b>          | <b>IL Consumer Legal Funding License</b>   | <b>Submitted via...</b>         |
|--------------------------|--|---------------------------------|
| <input type="checkbox"/> | <b>IL Application Fee: \$1,800.00</b> <ul style="list-style-type: none"> <li>• \$1,000 license fee</li> <li>• \$800 investigation fee</li> </ul> <b>NMLS Initial Processing Fee: \$0</b> | <b>NMLS (Filing submission)</b> |
| <input type="checkbox"/> | <b>Credit Report for Control Persons: \$15 per control person.</b>   | <b>NMLS (Filing submission)</b> |
| <input type="checkbox"/> | <b>FBI Criminal Background Check for MU2 Individual: \$36.25 per person.</b>   | <b>NMLS (Filing submission)</b> |

| REQUIREMENTS COMPLETED IN NMLS |  |  |
|--------------------------------|--|--|
| Complete                       | IL Consumer Legal Funding License  | Submitted via...   |
| <input type="checkbox"/>       | <b>Submission of Company Form (MU1):</b> Complete and submit the Company Form (MU1) in NMLS. This form serves as the application for the license/registration through NMLS.  | NMLS   |
| <input type="checkbox"/>       | <b>Financial Statements:</b> Upload an audited financial statement, including all footnotes, prepared by a Certified Public Accountant in accordance with Generally Accepted Accounting Principles dated within 105 days of your fiscal year end. Financial statements should include a balance sheet, income statement, and statement of cash flows and all relevant notes thereto. If applicant is a start-up company, only an initial statement of condition is required.<br><br><b>Note:</b> Financial statements are uploaded separately under the Filing tab and <i>Financial Statement</i> submenu link. See the <a href="#">Financial Statements Quick Guide</a> for instructions. | NMLS   |
| <input type="checkbox"/>       | <b>Other Trade Name:</b> For each Other Trade Name, please list under Other Trade Names section on the NMLS Company (MU1) Form and register as an assumed name with the Illinois Secretary of State.   | NMLS<br><br><b>Upload in NMLS:</b> under the Document Type <a href="#">Trade Name/Assumed Name Registration Certificates</a> in the <i>Document Uploads</i> section of the Company Form (MU1). |
| <input type="checkbox"/>       | <b>Resident/Registered Agent:</b> The Resident/Registered Agent, or Direct owner, etc. must be listed under the Resident/Registered Agent section of the Company Form (MU1) and must match the information currently on record with the Illinois Secretary of State.   | NMLS   |
| <input type="checkbox"/>       | <b>Primary Contact Employees:</b> The following individuals must be entered into the <i>Contact Employees</i> section of the Company Form (MU1).<br><br>1. <b>Primary Company Contact.</b><br>2. <b>Primary Consumer Complaint Contact.</b>  | NMLS   |
| Note                           | <b>Non-Primary Contact Employees:</b> IL does not <b>require</b> any non-primary contacts to be listed in the <i>Contact Employees</i> section of the Company Form (MU1) for the Consumer Legal Funding License.   | N/A  |
| Note                           | <b>Bank Account:</b> Bank account information is not required. The <i>Bank Account</i> section of the Company Form (MU1) can be left blank.  | N/A  |

|                          |   |  |
|--------------------------|---|--|
| <input type="checkbox"/> | <p><b>Disclosure Questions:</b> Provide a complete and detailed explanation and document upload for each “Yes” response to Disclosure Questions made by the company or related control persons (MU2).</p> <p>See the <a href="#">Company Disclosure Explanations Quick Guide</a> for instructions.</p>  | <p><b>Upload in NMLS</b> in the <i>Disclosure Explanations</i> section of the Company Form (MU1) or Individual Form (MU2).</p> |
| <p>Note</p>              | <p><b>Qualifying Individual:</b> The <i>Qualifying Individual</i> section is not required to be completed for the IL Consumer Legal Funding license on the Company Form (MU1).</p>  | <p><b>N/A</b></p>  |
| <input type="checkbox"/> | <p><b>Control Person (MU2) Attestation:</b> Complete the Individual Form (MU2) in NMLS. This form must be attested to by the applicable control person before it is able to be submitted along with the Company Form (MU1).</p>   | <p><b>NMLS</b></p>   |
| <input type="checkbox"/> | <p><b>Credit Report:</b> Individuals in a position of control are required to authorize a credit report through NMLS. Individuals will be required to complete an Identity Verification Process (IDV) along with an individual attestation before a license request for your company can be filed through NMLS. This authorization is made when the Individual Form (MU2) is submitted as part of the Company Form (MU1).</p> | <p><b>NMLS</b></p>   |

|                          |  |                    |
|--------------------------|--|--------------------|
| <input type="checkbox"/> | <p><b>MU2 Individual FBI Criminal Background Check Requirements:</b> The following Individuals, as specified below, on the Company Form (MU1) are required to authorize an FBI criminal background check (CBC) through NMLS.</p> <p><u>Direct Owners, Indirect Owners and Executive Officers</u></p> <p>Any:</p> <ul style="list-style-type: none"> <li>(i) person, entity, or ultimate equitable owner that owns or controls, directly or indirectly, 10% or more of any class of stock of the license applicant;</li> <li>(ii) person, entity, or ultimate equitable owner that is not a depository institution, as defined in Section 1007.50 of the Savings Bank Act, that lends, provides, or infuses, directly or indirectly, in any way, funds to or into a license applicant in an amount equal to or more than 10% of the license applicant's net worth;</li> <li>(iii) person, entity, or ultimate equitable owner that controls, directly or indirectly, the election of 25% or more of the members of the board of directors of a license applicant; or</li> <li>(iv) person, entity, or ultimate equitable owner that the Secretary finds influences management of the license applicant; the provisions of this subsection shall not apply to a public official serving on the board of directors of a State guaranty agency.”<br/>P.A. 102-0987</li> </ul> <p>After authorizing an FBI criminal background check through the submission of the Company Form (MU1) and Individual Form (MU2), you must schedule an appointment to be fingerprinted if new prints are required.</p> <p>See the Criminal Background Check section of the NMLS Resource Center for more information.</p> <p>Note: If you are able to ‘Use Existing Prints’ to process the FBI criminal background check, you DO NOT have to schedule an appointment. NMLS will automatically submit the fingerprints on file.</p> | <p><b>NMLS</b></p> |
| <input type="checkbox"/> | <p><b>Electronic Surety Bond:</b> Submit an Electronic Surety Bond (ESB) via NMLS in the amount of \$50,000 furnished and submitted by a surety company authorized to conduct business in IL. See the <a href="#">ESB Adoption Table</a> and the <a href="#">ESB for NMLS Licensees page</a> of the NMLS Resource Center for more information.</p>   | <p><b>NMLS</b></p> |

**REQUIREMENTS/DOCUMENTS UPLOADED IN NMLS**

| Complete                 | IL Consumer Legal Funding License   | Submitted via...  |
|--------------------------|---|---|
| <input type="checkbox"/> | <p><b>Business Plan:</b> Upload a business plan outlining the following information:</p> <ul style="list-style-type: none"> <li>• Marketing strategies</li> <li>• Products</li> <li>• Target markets</li> <li>• Fee schedule</li> <li>• Operating structure the applicant intends to employ.</li> </ul> <p>This document should be named <i>[Company Legal Name] Business Plan</i>.</p> <p><b>Note:</b> If the existing uploaded business plan already includes the above information, an additional document does not need to be uploaded. A company should only upload a single business plan. If state-specific material is required, this information should be added to the existing uploaded business plan.</p> | <p><b>Upload in NMLS:</b> under the Document Type <u>Business Plan</u> in the <i>Document Uploads</i> section of the Company Form (MU1).</p>                                      |
| <input type="checkbox"/> | <p><b>Certificate of Authority/Good Standing Certificate:</b> Upload an IL Secretary of State-issued and approved document dated not more than 60 days prior to the filing of the application through NMLS that demonstrates authorization to do business in IL.</p> <p>This document should be named <i>[[State prefix] Certificate of Authority OR [State prefix] Certificate of Good Standing]</i>.</p>  | <p><b>Upload in NMLS:</b> under the Document Type <u>Certificate of Authority/Good Standing Certificate</u> in the <i>Document Uploads</i> section of the Company Form (MU1).</p> |
| <input type="checkbox"/> | <p><b>Document Samples:</b> Upload copies of the following sample documents used in the regular course of business in connection with this license:</p> <ul style="list-style-type: none"> <li>• <b>Proposed Consumer Legal Funding Contract</b></li> </ul> <p>This document should be named <i>[Name of Document Sample]</i>.</p>  | <p><b>Upload in NMLS:</b> under the Document Type <u>Document Samples</u> in the <i>Document Uploads</i> section of the Company Form (MU1).</p>                                   |
| <input type="checkbox"/> | <p><b>Management Chart:</b> Submit a management chart displaying the applicant’s directors, officers, and managers (individual name and title). Must also identify compliance reporting and internal audit structure.</p> <p>This document should be named <i>[Company Legal Name] Management Chart</i>.</p> <p><b>Note:</b> If the existing uploaded management chart already includes the above information, an additional document does not need to be uploaded. A company should only upload a single management chart.</p>   | <p><b>Upload in NMLS:</b> under the Document Type <u>Management Chart</u> in the <i>Document Uploads</i> section of the Company Form (MU1).</p>                                   |

|  |   |  |
|--|---|--|
| <input type="checkbox"/>                           | <p><b>Organizational Chart/Description:</b> Submit a chart showing (or a description which includes) the percentage of ownership of:</p> <ul style="list-style-type: none"> <li>• Direct Owners (total direct ownership percentage must equate to 100%)</li> <li>• Indirect Owners</li> <li>• Subsidiaries and Affiliates of the applicant/licensee</li> </ul> <p>This document should be named <i>[Company Legal Name] Organizational Chart – Description</i>.</p> <p><b>Note:</b> If the existing uploaded Organizational Chart/Description already includes the above information, an additional document does not need to be uploaded. A company should only upload a single management chart.</p>  | <p><b>Upload in NMLS:</b> under the Document Type <u>Organizational Chart/Description</u> in the <i>Document Uploads</i> section of the Company Form (MU1).</p>  |
| <input type="checkbox"/>                           | <p><b>State of Illinois Averments:</b> Complete and submit State of Illinois Averments. <a href="#">Click here</a> to access the document.</p>  | <p><b>Upload in NMLS:</b> under the Document Type <u>Additional Requirements (IL – Averments)</u> in the Document Uploads section of the Company Form (MU1).</p> |
| <b>INDIVIDUAL (MU2) DOCUMENTS UPLOADED IN NMLS</b> |   |  |
| <input type="checkbox"/>                           | <p><b>Credit Report Explanations:</b> Submit a line by line, detailed letter of explanation of all derogatory credit accounts along with proof of payoffs, payment arrangements and evidence of payments made, or evidence of any formal dispute filed (documents must be dated). Accounts to address include, but are not limited to: collections items, charge offs, accounts currently past due, accounts with serious delinquencies in the last 3 years, repossessions, loan modifications, etc.</p> <p><b>Note:</b> Items regarding bankruptcy, foreclosure actions, outstanding judgments or liens, or delinquent child support payments should be addressed in the <i>Disclosure Explanations</i> section of your Individual Form (MU2).</p> <p>This document should be named <i>Credit Report Explanations – Sub Name – Document Creation Date</i>.</p> | <p><b>Upload in NMLS:</b> under the Document Type <u>Credit Report Explanations</u> in the <i>Document Uploads</i> section of the Individual Form (MU2).</p>     |