Texas Department of Motor Vehicles

LESSOR/LEASE FACILITATOR INSTRUCTION PACKET

Purpose:

- This instruction packet is the companion to Forms LF501 & LF502, *APPLICATION FOR MOTOR VEHICLE LESSOR LICENSE* and *LEASE FACILITATOR LICENSE*.
- **Lessor License**: This license is required of a person who gives another person the right to possess and use a motor vehicle (under the terms of a lease agreement in excess of 180 days) that is titled in the name of the lessor. The initial fee for a lessor license is $350. Note: A lessor does not need to have a lease facilitator license to facilitate leases for themselves. The lessor may facilitate its own leases. However, if the lessor facilitates leases for other lessors, they would need a lease facilitator license.
- **Lease Facilitator License**: This license allows a person to be a leasing agent for a leasing company. The lease facilitator solicits persons to become the lessee of a vehicle. A lease facilitator does not title the leased vehicle in his or her name, but merely acts as an agent procuring a person to enter into a lease contract. A lease facilitator is not the lessor or owner of a vehicle, but rather someone who puts the lessor and lessee together. The initial for this license is $750.

Instructions:

When applying for a license, **PLEASE DO NOT WAIT** until the last minute to file. File early to alleviate delays.

1. **The following pages guide you through the application step by step. Please read the instructions carefully and contact us if you have any questions.**
2. **Be sure to attach all required documentation. All items should be completed or marked "N/A" (not applicable) and include why the requirement is not applicable.**
3. **A license will not be issued until an applicant has met all the requirements.**
4. **Make sure that each document you submit shows your business name and DBA.**

Additional Licensing Notes:

- A "motor vehicle lease" is a transfer of the right to possess and use a motor vehicle for a term in excess of 180 days, in return for consideration.
- All licenses are issued for a term of two years.
- Exemptions:
  - A franchised dealer is not required to have a vehicle lessor or vehicle lease facilitator license to lease motor vehicles. However, the franchised dealer may only lease motor vehicles owned by the dealer and of a line-make the dealer is licensed to sell.
  - A person/entity is not required to obtain a license to act as a vehicle lessor or a vehicle lease facilitator only in certain situations set forth in Occupations Code §2301.254.
- If you are a lessor and wish to have multiple satellite locations, see Attachment E for details.
- Chapter 215, Motor Vehicle Distribution Rules, and Chapter 503 of the Texas Transportation Code contain more details related to licensing. They are available online at: http://txdmv.gov/statutes-and-rules
- You can find more about the Dealer License Application Process and Application Tips online at: http://www.TxDMV.gov/dealers

APPLICATION CONTACT: Please complete the top box indicating the name and contact information for the person we may contact regarding this application.

(512) 465-3000
Toll Free (888) 368-4689

1. **BUSINESS NAME:**
   Enter your business name:
   A. **For a Sole Proprietor**: The business name is the owner's legal name.
   B. **For a Partnership**: The business name is the legal name of each partner.
   C. **For a Business Entity**: The name entered for the corporation, LLC, LP, LLP, or LTD, must match your legal name recorded with the Secretary of State.

2. **DBA/ASSUMED NAME: (Name under which this location will operate)**
   Enter any assumed name(s) (also called DBA, for "Doing Business As") you will be using.
   A. The assumed name(s) must be registered with the proper authority.
      (1) In Texas, the proper authority for corporations, LLCs, LPs and LLPs is the Secretary of State, (512) 463-5555. http://www.sos.state.tx.us/corp/
      (2) Sole proprietors and general partnerships must register with their County Clerk in the county where the office will be located.
   B. The assumed name you put on this application must exactly match the assumed name as it is registered.
   C. Attach copies of the Assumed Name Certificates for the name(s) you will be using. Do not send your filing documents.

3. **MILITARY SERVICE:**
   Please indicate if the applicant is a "Military Spouse" and holds an equivalent license in another state, as defined by TEX. OCC. CODE §55.004 and 43 TEX. ADMIN. CODE §215.86. If yes, please provide supporting documentation with your application.

4. **EIN:**
   Enter the IRS-assigned Employer Identification Number (EIN).

5. **PHYSICAL ADDRESS:**
   Enter the street number and name, city, state, and zip code. This will be your licensed location where the office is located.
   A. A **Lease facilitator's** business must be physically located in the state of Texas, and each business location must be licensed separately.
   B. **Lessors** are required to obtain a license for the primary location and may add **satellite offices**. Provide the address, phone number, and the name of a contact person for all satellite offices that conduct business in the state of Texas. (Lessors, please submit this as part of your Attachment E.)
   C. Proof of occupancy documentation (lease, tax receipt, or deed) must be maintained for each location. If requested by TxDMV, you must submit this documentation. (If leasing the property, the lease cannot expire before the license.)
   D. Locations:
      (1) The location must meet all local zoning ordinances and deed restrictions.
      (2) The office may not be located within a residence, apartment, hotel, motel, or rooming house.
      (3) Sharing locations: In those instances when two or more lessors or lease facilitators occupy the same business locations and conduct their respective leasing operations under different names, one office structure for all lessors or lease facilitators operating from such location will be acceptable; provided, however, each lessor or lease facilitator must have:
         (a) A separate desk from which that lessor or lease facilitator transacts business;
         (b) A separate phone and phone number, listed in the lessor or lease facilitator's name;
         (c) A separate right of occupancy meeting the requirements of this section.
   E. The physical address of the office must be recognized by the U.S. Postal Service or capable of receiving U.S. mail. NOTE: Verification of the physical address may be required.

6. **MAILING ADDRESS:**
   Enter your mailing address if it is different from your physical address. This is the address TxDMV will use to mail all correspondence, licenses, etc.

7. **BUSINESS PHONE NUMBER & BUSINESS FAX NUMBER:**
   Enter the phone and fax number(s) you will use for your licensed location.

A. A working telephone is required and must be **listed in the name under which the lessor or lease facilitator does business**.
B. Lessors must provide the phone number for all satellite offices. Provide this with your Attachment E.
C. Multiple lessors or lease facilitators who occupy the same business location shall **each** have a separate telephone instrument, number, and listing.
D. A fax number is optional.

8. BUSINESS EMAIL & BUSINESS WEBSITE:
Enter the email address of the business. The website is optional.

9. LICENSE CONTACT NAME, PHONE, & EMAIL:
Enter the name, phone number, and email of a person TxDMV may communicate with concerning the daily operations of the business.

10. CURRENT GDN (P NUMBER) AND FRANCHISE LICENSE NUMBER:
Enter any license numbers you have.

11. FEES:
Determine the total fees required: (Payment and mailing instructions are on page 5 of this packet.)
A. The lessor license fee is $350. The lease facilitator license fee is $750.
B. If paying with a credit card, use page 8 of the LF001 application or separate form 2293.

LF501/LF502 PAGE TWO

Please enter your business name on the top of this page. (If you are typing into this form, this field should already be completed for you.)

12. – 21. YES/NO QUESTIONS: All questions must be answered.
A. Attach detailed explanations, as necessary for questions 12-14.
B. While you are no longer required to submit proof of occupancy, you must affirm that you will maintain proof of occupancy documentation (lease, tax receipt, or deed) for each location. If requested by TxDMV, you must submit this documentation. (If leasing the property, the lease cannot expire before the license.)

22. CERTIFICATION OF RESPONSIBILITY

The application must be signed by the applicant (owner, officer, managing partner, or authorized agent). By signing this application, the applicant swears that:
A. All statements contained on the application and provided attachments are true and complete.
B. Applicant is not delinquent in any court-ordered child support.
C. Applicant has complied with all applicable state laws and municipal ordinances. This includes (where applicable) licensing by other state agencies or municipalities, zoning ordinances, etc.

23. ATTACHMENTS TO THE APPLICATION

A. OWNERSHIP INFORMATION
Use pages 4 and 5 of the application or a separate copy of *Form LF601*. You may duplicate page 5, as needed.

1. Answer the question pertaining to felony convictions (and charges) truthfully.
a. Prior convictions may not prevent you from obtaining a license. Answering this question falsely may result in denial of your license and civil penalties.
b. MVD may investigate applicants answering “Yes” to this question. This investigation may add to your processing time.
c. You must attach copies of all final court judgments for any convictions.
d. Any felony conviction is a material change that must be reported to the TxDMV by the applicant or license holder.

2. Complete as many information blocks as needed for the following:
a. Owners: list all individuals and business entities with any ownership interest in the business (this includes sole proprietors) until total ownership indicated equals 100%.

b. If the business is publicly traded or nonprofit, please mark the appropriate box. Owners of publicly held businesses (shareholders) or nonprofit corporations do not need to be listed, but an officer or a director must be listed instead.

3. **Specific Information:**
   a. Name of Person or Business Entity: Enter the legal first and last name for individuals; list the complete business name of business entities.
   b. Title: Enter the title. Examples could be: Owner, President, CEO, Partner, General Partner, Member, etc.
   c. % of Ownership: For all individuals and businesses entities listed, enter the percentage of ownership. Ownership percentages must total 100%.
   d. Date of Birth: List the date of birth for all individuals listed.
   e. Driver License # and State for Sole Proprietor or General Partners: Enter the driver license number and issuing state. If the individual does not have a driver license, enter "NONE". If the driver license was issued in a foreign country, provide that information.
   f. Enter the Employer Identification Number (EIN) for business entities.
   g. Enter the Social Security Number (SSN) for persons. If any individual does not have an SSN, attach a separate document with identifying data for the individual with an explanation as to why they do not have a SSN.

B. ASSUMED NAME CERTIFICATES:

Provide a copy of the assumed name certificate issued by the proper authority. The assumed name(s) must be registered with the proper authority.

1. **The proper authority for corporations, LPs, LLPs, and LLCs is the appropriate authority for your state. Note: If you are physically located in Texas, the appropriate authority is Texas SOS.**
2. **The proper authority for sole proprietors and general partnerships is the county clerk in the county the office is located.**
3. **Businesses located out of Texas should register with the appropriate authority for your state.**

--OR--

4. **Businesses located outside Texas should register with the appropriate authority for your state.**
5. **If you are physically located in Texas:**
   a. The proper authority for corporations, LPs, LLPs, and LLCs is the Texas Secretary of State (SOS).
   b. The proper authority for sole proprietors and general partnerships is the county clerk for the county where the office is located.

The assumed name you list on this application must match the assumed name exactly as it is registered.

C. CERTIFICATE OF INCORPORATION, ORGANIZATION, OR PARTNERSHIP:

If you will be physically located in Texas, a *Certificate of Filing* or *Certificate of Authority* from the Texas SOS is acceptable. (If the entity was formed out of state and will be located in Texas, submit a *Certificate of Authority* issued by the Texas SOS.) Lessors, if you are located outside Texas, submit documentation from the appropriate authority for your state. We do not need copies of your corporate charter.

D. VEHICLE LEASE CONTRACTS:

Attach a sample (blank) copy(s) of all agreements between the lessor and the lessee used by the applicant.
In a lessor application, the sample lease contract is the contract the lessor enters into with the customer.
In a lease facilitator application, the sample lease contract is the contract the lessor enters into with the customer. If the lease facilitator will have more than one lessor, than there will be a sample lease contract **for each lessor**. A lease facilitator does not enter into a contract with a customer. A lease facilitator brings a customer and lessor together. Like a broker.

E. LESSOR APPLICANTS or LEASE FACILITATOR APPLICANTS:

1. **Lessor Applicants, attach the following:**
   a. A list, including names and addresses, of all lease facilitators with whom applicant conducts or intends to conduct business. If you do not use lease facilitators, you must state that.
   b. A copy of each signed agreement between applicant and lease facilitator(s), disclosing its terms. You must provide an agreement with each lease facilitator with whom you conduct or intend to conduct business. If you do not use lease facilitators, you must state that.
   c. Disclosure of fees paid to any lease facilitator(s). If you do not use lease facilitators, you must state that.
   d. A list of all other satellite offices that conduct business in the State of Texas, whether or not located in Texas. Include the address, phone number, and name of a contact person for each location. If applicant has

no other offices in addition to the primary location listed on the front of the applicant, then you must state that.

2. **Lease Facilitator Applicants, attach the following:**
   a. A list, including names and addresses, of all lessors with whom applicant conducts or intends to conduct business.
   b. A copy of each signed agreement between applicant and lessor(s), disclosing its terms. You must provide an agreement with each lessor with whom you conduct or intend to conduct business.
   c. Disclosure of fees paid to applicant by any lessor(s).

Note: Lease Facilitators must submit a different application **for each separate business location**. A lease facilitator's licensed location must be physically located within the State of Texas.

F. FEES:

Payment can be made by Credit Card, Personal Check, Money Order, Cashier Check, or Wire Transfer.

A. Mail or fax this form, all fees, and attachments, to the address matching your type of payment. (See table below.) Failure to do so will result in delays.
B. Checks and money orders should be made payable to the Texas Department of Motor Vehicles.
C. If paying by credit card, you may fax the entire package (including the credit card form) to (512) 465-3599. If you choose to do this, do NOT mail the package.
D. DO NOT submit the application via two methods; pick only one.
E. If you wish to overnight your application, please note that only the U.S. Postal Service delivers overnight mail to post office boxes.

METHOD OF PAYMENT	INSTRUCTIONS	FORWARD TO
CREDIT CARD Amount must be between $5 and $2000	Complete the "Credit Card Payment Form" Form 2293 Mail or fax form and documents	Texas Department of Motor Vehicles Motor Vehicle Division P. O. Box 26487 Austin, TX 78755 Fax: (512) 465-3599
PERSONAL CHECK OR MONEY ORDER (A fee of $25 will be charged for returned checks)	Pay to: Texas Department of Motor Vehicles Mail check/money order and documents	Texas Department of Motor Vehicles Motor Vehicle Division P. O. Box 13044 Austin, TX 78711-3044
Wire Transfer	Account Number to Credit: 463600001 Reference: (i.e. - Remitter's name / you) Attention: 608-Texas Department of Motor Vehicles Motor Vehicle Division, Chema Sanchez or Keith Parker.	Financial Institution: Comptroller, Austin, TX Routing Number: 114900164 Account Name: Comptroller of Public Accounts, Treasury Operations

Application Processing and General Information:

1. Application Processing & Time:

A. Your application fees are processed by the State Comptroller's Office before TxDMV may begin application processing.
B. Applications are processed in the order received. However, if more information is needed, these are noted as deficiencies.
C. You can find more about the *Dealer License Application Process* and *Application Tips* (including common deficiencies) online at: http://www.TxDMV.gov/dealers
D. Applications should be as complete as possible before submission; however, do not wait until the last minute to file your application.

2. Approving applications:

A. When there are no application deficiencies, the license is approved. Your license is printed and mailed to the mailing address listed on your application.
B. If there are deficiencies, you will be contacted by a licensing specialist.
   (1) Contact by phone or email will be attempted before a list of deficiencies is mailed.
   (2) Please correct any deficiencies and return the appropriate documentation.

3. **Making Changes to your License:**
You must submit an *Application to Amend Motor Vehicle Lessor or Lease Facilitator's License* (Form LF521/LF522) when information about your business has changed. Some examples are:
   A. **Lessors:** Opening, closing, or moving to a new location within the same city limits. You must submit the form within 10 days of the opening, closing or relocation.
   B. **Lease Facilitators**: relocating within the city limits. You must submit the form within 10 days of the relocation.
   C. Adding or deleting lessors or lease facilitators with whom the licensee conducts or intends to conduct business.
   D. Changing the DBA (assumed name).
   E. Changes to: mailing address, phone number, fax number, email address, and/or contact information.

Other changes to your license:
   A. **Lessors:** Relocating the primary location outside the city limits of your original location **requires a new application, fees, and attachments**.
   B. **Lease Facilitators:** New locations or relocations outside the city limits of your original location **require a new application, fees, and attachments**.
   C. Lessors or lease facilitators that relocate from a point outside the limits of a city, or relocate to a point not within the limits of the same city of the initial location are **required to obtain a new license**.
   D. Changes in ownership that affect the business entity type. Under some circumstances, you may need to file a new application. For example, if you are currently licensed as a Sole Proprietor and become incorporated, you will need to file a new application. If you are a corporation and do a conversion to a Limited Partnership, you will only need to amend your license. Please contact our office first, to make sure you complete the appropriate forms.

If you have any questions about the changes you are making to your business, please call us at (888) 368-4689 or (512) 465-3000.

4. **Duplicate Licenses:**
   A. To request a reprint or a duplicate license please complete form LF901, available at https://txdmv.gov/forms-dealers.
   B. You may fax this request to 512-465-7310 or mail to:
      Motor Vehicle Division
      P.O. Box 26487
      Austin, TX 78755
   C. The fee for this request is $50.

5. **License Renewal:**
   A. Your license term is two years.
   B. Fees:
      (1) Lease facilitators renewal fees are $750.
      (2) Lessor renewal fees vary based on the total number of vehicles leased during the previous license term. The renewal fee depends on the number of motor vehicles leased in the preceding calendar year and ranges from $350 to $1,500.
   C. MVD will mail you a renewal notice 75 to 90 days prior to license expiration. You should return your renewal notice, required attachments, and the proper fee(s) at least 45 days prior to expiration to ensure that your license does not expire.
   D. You are responsible for maintaining your license. If you do not receive your renewal notice, contact MVD to obtain one.
   E. **THERE IS NO GRACE PERIOD!** Once your license expires, you should not conduct business as a lessor or lease facilitator.
   F. **Penalty fees are assessed if your renewal form is received at MVD more than 30 days after expiration. These penalty fees are 50% of the total license fee for each 30 days of default.**
   G. Must complete the renewal within 90 days of your expiration or you will have to apply for a new license.