

**State of California
Office of Administrative Law**

In re:
Department of Corporations

Regulatory Action:

Title 10, California Code of Regulations

Adopt sections: 1580, 1581, 1582, 1583,
1584, 1585, 1586, 1587,
1588, 1589, 1590, 1591,
1592, 1593, 1594, 1595,
1596

Amend sections:

Repeal sections:

**NOTICE OF APPROVAL OF EMERGENCY
REGULATORY ACTION**

**Government Code Sections 11346.1 and
11349.6**

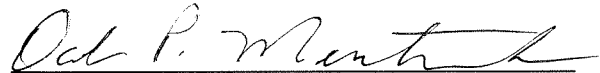
OAL File No. 2011-0223-03 E

This rulemaking action adopts emergency regulations to implement Senate Bill 1146 (Chapter 640 of 2010) to implement the Pilot Program for Affordable Credit Building Opportunities, which seeks to move consumers of small loans away from payday loans and other fringe banking practices and toward more traditional and affordable borrowing through which consumers can improve their credit ratings and receive consumer credit education at no cost. The regulations establish lender participation requirements and procedures and adopt various lender application and reporting forms. The regulations also establish requirements for the use by lenders of "finders," which are entities that connect borrowers with lenders.

OAL approves this emergency regulatory action pursuant to sections 11346.1 and 11349.6 of the Government Code.

This emergency regulatory action is effective on 3/3/2011 and will expire on 8/31/2011. The Certificate of Compliance for this action is due no later than 8/30/2011.

Date: 3/3/2011



Dale P. Mentink
Senior Staff Counsel

For: DEBRA M. CORNEZ
Assistant Chief Counsel/Acting Director

Original: Preston Dufauchard
Copy: Karen Fong

EMERGENCY

STATE OF CALIFORNIA--OFFICE OF ADMINISTRATIVE LAW

NOTICE PUBLICATION/REGULATIONS SUBMISSION

(See instructions on reverse)

For use by Secretary of State only

STD. 400 (REV. 01-09)

OAL FILE NUMBERS	NOTICE FILE NUMBER Z-	REGULATORY ACTION NUMBER	EMERGENCY NUMBER 2011-0223-03E
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ENDORSED FILED IN THE OFFICE OF

2011 MAR -3 PM 2:09

For use by Office of Administrative Law (OAL) only

2011 FEB 23 PM 3:03
OFFICE OF ADMINISTRATIVE LAW

Jebra Bowen
JEBRA BOWEN
SECRETARY OF STATE

NOTICE	REGULATIONS
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AGENCY WITH RULEMAKING AUTHORITY Department of Corporations	AGENCY FILE NUMBER (if any) PRO 14/10
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A. PUBLICATION OF NOTICE (Complete for publication in Notice Register)

1. SUBJECT OF NOTICE	TITLE(S) 10	FIRST SECTION AFFECTED	2. REQUESTED PUBLICATION DATE
3. NOTICE TYPE <input type="checkbox"/> Notice re Proposed Regulatory Action <input type="checkbox"/> Other	4. AGENCY CONTACT PERSON Karen Fong	TELEPHONE NUMBER (916) 322-3553	FAX NUMBER (Optional) (916) 322-5875
OAL USE ONLY ACTION ON PROPOSED NOTICE <input type="checkbox"/> Approved as Submitted <input type="checkbox"/> Approved as Modified <input type="checkbox"/> Disapproved/Withdrawn	NOTICE REGISTER NUMBER	PUBLICATION DATE	

B. SUBMISSION OF REGULATIONS (Complete when submitting regulations)

1a. SUBJECT OF REGULATION(S) Finance Lenders Pilot Program (SB 1146 (Chap. 640, Stats. 2010))	1b. ALL PREVIOUS RELATED OAL REGULATORY ACTION NUMBER(S) Z-2011-0203-01
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2. SPECIFY CALIFORNIA CODE OF REGULATIONS TITLE(S) AND SECTION(S) (Including title 26, if toxics related)
SECTION(S) AFFECTED (List all section number(s) individually. Attach additional sheet if needed.)
ADOPT 1580, 1581, 1582, 1583, 1584, 1585, 1586, 1587, 1588, 1589, 1590, 1591, 1592, 1593, 1594, 1595, 1596
AMEND 1550, 1552
REPEAL
TITLE(S) 10

Am per agency 2/24/11

3. TYPE OF FILING
<input type="checkbox"/> Regular Rulemaking (Gov. Code §11346) <input type="checkbox"/> Resubmittal of disapproved or withdrawn nonemergency filing (Gov. Code §§11349.3, 11349.4) <input checked="" type="checkbox"/> Emergency (Gov. Code, §11346.1(b)) <input type="checkbox"/> Certificate of Compliance: The agency officer named below certifies that this agency complied with the provisions of Gov. Code §§11346.2-11347.3 either before the emergency regulation was adopted or within the time period required by statute. <input type="checkbox"/> Resubmittal of disapproved or withdrawn emergency filing (Gov. Code, §11346.1) <input type="checkbox"/> Emergency Readopt (Gov. Code, §11346.1(h)) <input type="checkbox"/> File & Print <input type="checkbox"/> Other (Specify) _____ <input type="checkbox"/> Changes Without Regulatory Effect (Cal. Code Regs., title 1, §100) <input type="checkbox"/> Print Only

4. ALL BEGINNING AND ENDING DATES OF AVAILABILITY OF MODIFIED REGULATIONS AND/OR MATERIAL ADDED TO THE RULEMAKING FILE (Cal. Code Regs. title 1, §44 and Gov. Code §11347.1)

5. EFFECTIVE DATE OF CHANGES (Gov. Code, §§ 11343.4, 11346.1(d); Cal. Code Regs., title 1, §100)
<input type="checkbox"/> Effective 30th day after filing with Secretary of State <input checked="" type="checkbox"/> Effective on filing with Secretary of State <input type="checkbox"/> §100 Changes Without Regulatory Effect <input type="checkbox"/> Effective other (Specify) _____

6. CHECK IF THESE REGULATIONS REQUIRE NOTICE TO, OR REVIEW, CONSULTATION, APPROVAL OR CONCURRENCE BY, ANOTHER AGENCY OR ENTITY
<input type="checkbox"/> Department of Finance (Form STD. 399) (SAM §6660) <input type="checkbox"/> Fair Political Practices Commission <input type="checkbox"/> State Fire Marshal <input type="checkbox"/> Other (Specify) _____

7. CONTACT PERSON Karen Fong or Tanya Bosch	TELEPHONE NUMBER (916) 322-3553	FAX NUMBER (Optional) (916) 322-5875	E-MAIL ADDRESS (Optional) kfong@corp.ca.gov
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8. I certify that the attached copy of the regulation(s) is a true and correct copy of the regulation(s) identified on this form, that the information specified on this form is true and correct, and that I am the head of the agency taking this action, or a designee of the head of the agency, and am authorized to make this certification.

SIGNATURE OF AGENCY HEAD OR DESIGNEE <i>Colleen E. Monahan</i>	DATE 2/23/11
TYPED NAME AND TITLE OF SIGNATORY Colleen E. Monahan, Deputy Commissioner	

For use by Office of Administrative Law (OAL) only

ENDORSED APPROVED
MAR 03 2011
Office of Administrative Law

STATE OF CALIFORNIA
DEPARTMENT OF CORPORATIONS COMMISSIONER

TEXT OF PROPOSED CHANGES UNDER THE
CALIFORNIA FINANCE LENDERS LAW
EFFECTIVE:

1. Section 1580 is adopted to read:

Article 13. Pilot Program for Affordable Credit-Building Opportunities.

Subarticle 1. General Provisions.

§ 1580. Notice of Changes to Finders: Reporting New or Change in Business
Location of Finders.

(a) A licensee shall report any change to the information contained in the finder
registration form to the California Corporations Commissioner within fifteen (15) days of
the change. The notice shall be in writing and signed by the licensee.

(b) Any change in the business location of a finder registered with the
Department, including a new location, shall include in the notice the physical address of
the new or changed business location, the physical address of the previous business
location, the effective date of the change, and the name and contact information,
including telephone number, of an employee or employees of the finder who is or are
responsible for the activities of the finder at that new or changed business location.

Note: Authority cited: Section 22150, Financial Code. Reference: Sections
22356(b)(4) and 22357, Financial Code.

2. Section 1581 is adopted to read:

Subarticle 2. Application and Registration.

§ 1581. Application under the Affordable Credit-Building Opportunities Program:
Form.

(a) The application under the Affordable Credit-Building Opportunities program pursuant to Section 22349 of the Financial Code shall be filed upon the form set forth in subdivision (c) of this section.

(b) Within 30 calendar days from the receipt of the application, the California Corporations Commissioner shall inform the applicant in writing that the application is complete and the licensee is approved to participate in the program or disapproved, and if disapproved, the reason(s) for disapproval; or that the application is deficient and specify what information is required to complete the application.

(c) An application to make loans under the Affordable Credit-Building Opportunities program shall be submitted to the California Corporations Commissioner on the following form:

STATE OF CALIFORNIA
DEPARTMENT OF CORPORATIONS

INFORMATION ON THE APPLICATION FOR
THE PILOT PROGRAM FOR
AFFORDABLE CREDIT-BUILDING OPPORTUNITIES
UNDER THE CALIFORNIA FINANCE LENDERS LAW

The following is provided as general information for finance lenders licensed under the California Finance Lenders Law who wish to participate in the Pilot Program for Affordable Credit-Building Opportunities in accordance with Financial Code Section 22349.

GENERAL INFORMATION

Senate Bill 1146 (Chap. 640, Stats. 2010) was signed into law on September 30, 2010 and is operative January 1, 2011. The bill created the Pilot Program for Affordable Credit-Building Opportunities to increase the availability of affordable short-term credit and to expand credit-building opportunities for individuals.

Finance lenders who are licensed under the California Finance Lenders Law and approved by the California Corporations Commissioner to participate in the program may charge specified alternative interest rates and charges, including an administrative fee and delinquency fees, on loans of at least \$250 and less than \$2,500, subject to certain requirements. Licensees participating in the program are also permitted to use the services of a "finder" as defined in Section 22353(b) of the Financial Code.

APPLICATION TO PARTICIPATE IN THE PROGRAM

- An application form to participate in the program may be obtained from any office of the Department of Corporations and from the website at www.corp.ca.gov.

The office locations are as follows:

320 W. 4th Street, Suite 750 Los Angeles, CA 90013

71 Stevenson Street, Suite 2100 San Francisco, CA 94105

1515 K Street, Suite 200 Sacramento, CA 95814

1350 Front Street, Room 2034 San Diego, CA 92101

- Questions regarding completing and filing an application should be directed to 1-866-ASK-CORP (866-275-2677).
- Completed applications must be filed with the Los Angeles Office. The application **MUST** be accompanied by **NON REFUNDABLE** fees as follows.

<u>NUMBER OF LICENSED FINANCE LENDER LOCATIONS</u>	<u>APPLICATION FEE</u>
<u>1 to 10</u>	<u>\$250</u>
<u>11 to 50</u>	<u>\$450</u>
<u>51 to 100</u>	<u>\$650</u>
<u>Over 100</u>	<u>\$850</u>

- Within 30 calendar days from the receipt of the application, the California Corporations Commissioner shall inform the applicant in writing, that the application is complete and the licensee is approved to participate in the program or disapproved, and if disapproved, the reason(s) for disapproval; or that the application is deficient and specify what information is required to complete the application.

APPLICATION FOR THE PILOT PROGRAM FOR
AFFORDABLE CREDIT-BUILDING OPPORTUNITIES
FOR LENDERS LICENSED UNDER THE
CALIFORNIA FINANCE LENDERS LAW

1. Name of Licensee:

Fictitious Business Name:

2. CFLL License Number: _____

Primary Mailing (988) Number, if applicable: _____

3. Mailing Address: _____

4. Contact Person/Title: _____

5. Telephone Number: _____ Email Address: _____

6. Are you in good standing with the California Corporations Commissioner? Yes [] No []

If no, please attach an explanation, marked as Exhibit 1, and any documentation.

7. Do you have any outstanding enforcement actions or deficiencies with any government agency at the time of this application? Yes [] No []

If yes, please attach an explanation, marked as Exhibit 2, and documentation of the enforcement actions or deficiencies.

8. Has your credit education program or seminar been approved by the California Corporations Commissioner as required under Section 22352(g)(1) of the Financial Code?

Yes [], approved by the California Corporations Commissioner on [] (month/day/year)

No [], attached is the credit education program or seminar, marked as Exhibit 3, for the California Corporations Commissioner's review and approval.

No [], the credit education program or seminar will be submitted to the California Corporations Commissioner for review and approval at a later time. Licensee shall not offer any credit education program or seminar that has not been previously reviewed and approved by the California Corporations Commissioner for use, and licensee shall not disburse loan proceeds to a borrower prior to offering an approved credit education program or seminar to the borrower.

9. Are you a data furnisher with a national credit reporting agency? Yes [] No []

 If yes, provide the following information:

Name of Credit Reporting Agency

Date Accepted

10. Will you report to a national credit reporting agency the payment performance of each borrower on all loans made under this program as required under Section 22352(g)(2) of the Financial Code?

Yes [] No []

11. Do you plan to use the services of a finder as defined under Section 22353(b) of the Financial Code? Yes [] No []

If yes, please attach a list of the name of the finder(s), marked as Exhibit 4, and a completed Notification to Commissioner of Finder Registration for each finder, marked as Exhibit 5.

The licensee has duly caused this application to be signed on its behalf by the undersigned, thereunto duly authorized.

The undersigned, on behalf of the licensee, acknowledges that this application and all exhibits thereto are subject to public inspection pursuant to Section 250.9.1, Chapter 3, Title 10, California Code of Regulations. A request for confidentiality of certain documents may be requested pursuant to Section 250.10. If a request for confidential treatment is granted (or denied), the person making such request will be notified in writing.

I declare under penalty of perjury that I have read the foregoing application, including Exhibits attached thereto, or filed therewith, and know the contents thereof, and that the statements therein are true and correct. I further declare, on behalf of the licensee, that I have read and understand the

Financial Code and regulations pertaining to the California Finance Lenders Law and the Pilot Program for Affordable Credit-Building Opportunities under the California Finance Lenders Law.

(Licensee)

Executed at _____

(City, County, and State)

(Signature of Declarant)

Date _____

(Typed Name of Declarant)

(Title)

Note: Authority cited: Section 22150, Financial Code. Reference: Sections 22349 and 22349.1, Financial Code.

3. Section 1582 is adopted to read:

§ 1582. Finder Registration: Form.

(a) A licensee shall notify the California Corporations Commissioner within 15 days of entering into a contract with a finder on the form set forth in subdivision (c) of this section.

(b) Within 15 calendar days from the receipt of the finder registration form, the California Corporations Commissioner shall inform the licensee in writing, that the registration is complete and that use of the finder by the licensee is accepted or rejected.

- Completed finder registration forms must be filed with the Los Angeles Office.
- Within 15 calendar days from the receipt of the finder registration form, the California Corporations Commissioner shall inform the licensee in writing that the registration is complete and the finder is accepted to participate in the program or rejected, and if rejected, the reason(s) for rejection; or that the registration is deficient and specify what information is required to complete the registration.

1. Name of Licensee:

2. Licensee's Business Address:

3. CFLL License Number:

4. Name of Finder:

5. Finder's Main Business Address:

6. Have you entered into a written agreement with the finder as required under Section 22358 of the Financial Code? Yes [] No []

7. Does the written agreement include a provision that the finder agrees to comply with all regulations established by the California Corporations Commissioner concerning the activities of finders as required under Section 22358 of the Financial Code? Yes [] No []

8. Does the written agreement include a provision that the finder agrees to provide the California Corporations Commissioner access to all of the finder's books and records pertaining to the finder's operations under the agreement with the licensee? Yes [] No []

9. Provide the following information for an employee of the finder who is knowledgeable about, and has the authority to execute, the contract governing the business relationship between the finder and the licensee:

Name: _____

Address: _____

Telephone Number: _____

Email: _____

10. Attach a list, marked as Exhibit A, of the business addresses of all locations at which the finder will perform the services described in Section 22354(a) of the Financial Code. Any subsequent

locations or changes to locations must be reported to the California Corporations Commissioner in accordance with Title 10, of the California Code of Regulations, Section 1580.

11. Attach a list, marked as Exhibit B, providing the name, title, physical business location, telephone number, and email of each employee responsible for the activities of the finder at each of its locations.

12. Attach a list, marked as Exhibit C, identifying the services and activities that the finder will perform for the licensee at the finder's physical location for business.

13. Attach a copy of the written agreement with the finder, marked as Exhibit D.

The licensee has duly caused this registration to be signed on its behalf by the undersigned, thereunto duly authorized.

The undersigned, on behalf of the licensee, acknowledges that this registration and all exhibits thereto are subject to public inspection pursuant to Section 250.9.1, Chapter 3, Title 10, California Code of Regulations. A request for confidentiality of certain documents may be requested pursuant to Section 250.10. If a request for confidential treatment is granted (or denied), the person making such request will be notified in writing.

I declare under penalty of perjury that I have read the foregoing registration, including all exhibits attached thereto, or filed therewith, and know the contents thereof, and that the statements therein are true and correct.

(Licensee)

Executed at _____

(City, County, and State)

(Signature of Declarant)

Date _____

(Typed Name of Declarant)

(Title)

Note: Authority cited: Section 22150, Financial Code. Reference: Sections 22351 and 22357(a), Financial Code.

4. Section 1583 is adopted to read:

Subarticle 3. Fees.

§ 1583. Application Fee.

(a) The non-refundable filing fee for an application under the Affordable Credit-Building Opportunities program shall be the amount set forth in subsection (b), and paid to the Department of Corporations at the time the application is filed with the California Corporations Commissioner.

(b) Filing Fee

<u>NUMBER OF LICENSED</u>	<u>APPLICATION FEE</u>
<u>FINANCE LENDER LOCATIONS</u>	

<u>1 to 10</u>	<u>\$250</u>
<u>11 to 50</u>	<u>\$450</u>
<u>51 to 100</u>	<u>\$650</u>
<u>Over 100</u>	<u>\$850</u>

Note: Authority cited: Section 22150, Financial Code. Reference: Section 22349, Financial Code.

5. Section 1584 is adopted to read:

§ 1584. Annual Finder Registration Fee.

(a) The annual finder registration fee shall be based on the number of finders used by a licensee. The annual finder registration fee shall be the sum of the amounts set forth in subdivision (d) for each finder used by the licensee as reported to the California Corporations Commissioner at the time of notification of the annual finder registration fee in subdivision (b).

(b) On or before the 30th day of September in each year, the California Corporations Commissioner shall notify each licensee by mail of the amount of the annual finder registration fee and that amount shall be paid to the California Corporations Commissioner by October 31st. If payment is not made by October 31st, the California Corporations Commissioner shall assess and collect a penalty, in addition to the fee, of 1 percent of the fee for each month or part of a month that the payment is delayed or withheld.

(c) If a licensee fails to pay the annual finder registration fee on or before the 31st day of October, the California Corporations Commissioner may terminate the licensee's authority to use the services of finders.

(d) Annual Finder Fee

<u>IF A FINDER HAS THE FOLLOWING</u> <u>NUMBER OF LOCATIONS:</u>	<u>THE ANNUAL FEE FOR THAT FINDER</u> <u>IS:</u>
<u>Less than 10</u>	<u>\$100</u>
<u>11 to 30</u>	<u>\$150</u>
<u>31 to 50</u>	<u>\$200</u>
<u>51 to 100</u>	<u>\$250</u>
<u>101 to 200</u>	<u>\$300</u>
<u>201 to 1000</u>	<u>\$500</u>
<u>Over 1000</u>	<u>\$1000</u>

Note: Authority cited: Section 22150, Financial Code. Reference: Sections 22107(b) 22107(d), and 22357(b), Financial Code.

6. Section 1585 is adopted to read:

Subarticle 4. Reports.

§ 1585. Annual Report: Form.

(a) Each licensee shall file an annual report as set forth in subdivision (b) of this section with the California Corporations Commissioner, on or before the 15th of March, providing information concerning the business and operations conducted by the licensee under the Affordable Credit-Building Opportunities program, and information pertaining to each finder and the licensee's relationship and business arrangements with each finder, during the preceding calendar year. The annual report required under this section is in addition to the annual report of the total business operations of a licensee

required under Section 22159 of the Financial Code. The annual reports filed shall be made available to the public for inspection.

(b) The individual annual report required under Sections 22349.2 and 22357(c) of the Financial Code shall be submitted on the following form:

DEPARTMENT OF CORPORATIONS**Business Services and Consumer and Investor Protection**

INSTRUCTIONS FOR COMPLETING THE 20XX ANNUAL REPORT
FOR LICENSEES PARTICIPATING IN THE AFFORDABLE CREDIT-BUILDING
OPPORTUNITIES PROGRAM

WHO MUST FILE THE REPORT: Every licensee under the California Finance Lenders Law approved by the California Corporations Commissioner to participate in the Affordable Credit-Building Opportunities (ACBO) pilot program shall file the annual report. The annual report shall include information on all business conducted under the ACBO pilot program.

NO BUSINESS OR INACTIVE LICENSES: An annual report shall be filed even if no business was conducted under the license in 20XX. If no business was conducted under the ACBO pilot program during the calendar year 20XX, complete question numbers 1 through 10 and Verification section only. Include a statement at the bottom of the Verification section that "**No business was conducted under the ABCO pilot program during the calendar year 20XX.**" "No business" means no loans were made under the ACBO pilot program in 20XX.

WHEN IS THE REPORT DUE/ PENALTY FOR FAILURE TO FILE THE REPORT: The report is due on or before **March 15, 20XX.** No extension of the filing date shall be granted. Failure to file the report shall result in summary revocation of the California Finance Lenders Law license(s).

WHAT IS THE PURPOSE OF THE ANNUAL REPORT: The information reported in the annual report is used to publish the Department of Corporations' *Annual Report - Operation of Finance Companies*. The information shall also be reported in the aggregate to specified committees of the California State Legislature as required under Senate Bill 1146 (Chap. 640, Stats. 2010).

WHERE TO FILE THE REPORT:

DEPARTMENT OF CORPORATIONS

Financial Services Division

320 West Fourth Street, Suite 750

Los Angeles, CA 90013

THE ANNUAL REPORT FORM: The information must be submitted on the annual report form prescribed by the Department of Corporations (Form CFL 1585-11/10). **ALL AMOUNTS MUST BE ROUNDED TO THE NEAREST WHOLE DOLLAR.** Do not add ".00" to represent rounding to the nearest dollar. In addition, do not round items to the nearest thousand or million dollars, or round intermediate calculations. The annual report is electronically scanned and therefore the information must be **TYPED** in the annual report form, and the **ORIGINAL** signed copy of the annual report shall be filed with the Department of Corporations.

COMPLETENESS & ACCURACY: The annual report shall be rejected by the Department of Corporations and returned to the licensee if the information provided is incomplete or incorrect. All questions and schedules must be completed. If any schedule is inapplicable, indicate "Not Applicable" at the top of the page. Attach a supplemental page(s) if more space is needed. All information provided in the annual report is subject to verification. Accordingly, due care should be exercised in the completion of the report.

HOW TO READ THE MAILING LABEL: The mailing label attached to the report (Line 1) reflects information on your license status. Your license number or the assigned mailing number, if you possess multiple licenses, and the number of licenses held as of December 31, 20XX is shown on the top line of the label.

PERIOD COVERED BY THE REPORT: The reporting period is either (1) January 1, 20XX to December 31, 20XX, or (2) the effective date of approval to participate in the ACBO pilot program in 20XX to December 31, 20XX.

If any loans were made under the ACBO pilot program during the year 20XX, Schedules A through I must be completed. If no loans were made in 20XX, state "None" on the applicable schedules.

SCHEDULE A (SCHEDULE OF APPLICATIONS TAKEN AND LOANS MADE BY SIZE): All loan applications taken and loans made must be scheduled in Section A. Multiple loans made to the same borrower are to be reported as separate loans transactions. Do not include loans that were not made under the ACBO pilot program. Report percentages to the nearest whole percentage (e.g. report .457 as 46, not 45.7 or 46%)

SCHEDULE B (SCHEDULE OF LOANS BY INCOME DISTRIBUTION OF CENSUS

TRACTS AND BORROWERS WITH BANK ACCOUNTS): Schedule loans by the following income distribution of census tracts as defined under the federal Community Reinvestment Act (12 U.S.C. 2901) and the Federal Financial Institutions Examination Council:

If the Median Family Income % is < 50%, then the Income Level is **Low**.

If the Median Family Income % is >= 50% and < 80%, then the Income Level is **Moderate**.

If the Median Family Income % is >= 80% and < 120%, then the Income Level is **Middle**.

If the Median Family Income % is >= 120%, then the Income Level is **Upper**.

If the Median Family Income % is 0%, then the Income Level is **Not Known**.

Information on income distribution of census tract may be found at <http://www.ffiec.gov/> and <http://www.ffiec.gov/census/default.aspx>

SCHEDULE C & D (SCHEDULE OF LATE FEES CHARGED DURING THE YEAR BY SIZE & SCHEDULE OF LOANS MADE BY LOAN PURPOSE).

SCHEDULE E (SCHEDULE OF LOANS BY RATE CHARGES): Report loans in Schedules E-1, E-2 & E-3 based on annualized percentage rate (APR) calculated in accordance with Federal Reserve Board Regulation Z. Do not report loans in these schedules using the agreed upon contract rate.

SCHEDULE F (SCHEDULE OF LOAN PERFORMANCE): Report loans based on the number of payments past due. Do not report loans based on recency of payment.

SCHEDULE G (SCHEDULE OF LOANS MADE BY LANGUAGE AND CREDIT EDUCATION PROGRAM OR SEMINAR OFFERED): In column A, report the number of borrowers who were offered a credit education program or seminar in the same language in which the loan was negotiated. If known, report in column B the number of borrowers who attended the offered credit education program or seminar.

SCHEDULE H (SCHEDULE OF FINDERS BY LOCATION): Report all finders utilized during the calendar year 20XX.

SCHEDULE I (RECOMMENDATIONS FOR IMPROVING THE PILOT PROGRAM): Provide any comments or information to help improve the program.

COMPANIES WITH MULTIPLE LOCATIONS: Companies with multiple locations shall prepare one annual report consolidating the information of all locations into the report.

ANNUAL REPORT FORM AVAILABLE ON THE INTERNET: The annual report form is available in Adobe Acrobat format at the Department of Corporations' Internet website. The form may be accessed by clicking on **Applications and Forms** on the Department of Corporations' homepage at "www.corp.ca.gov", and then clicking on **California Finance Lenders**.

The form may be completed online, but **THE REPORT CANNOT BE FILED ELECTRONICALLY**. If the report is completed online, it must be printed in the Adobe Acrobat format. If you receive an annual report form in the mail but are completing the report online, transfer the license status information from the mailing label to the online annual report form. Please be sure to include your seven-digit license number on the annual report to prevent any delays in processing your annual report.

VERIFICATION: The Verification section must be completed in accordance with the instructions by the licensed individual, a general partner if the licensee is a partnership, or a corporate officer if the licensee is a corporation. The Verification must include an **original** signature on the original copy of the annual report filed with the Department of Corporations. **Incomplete Verification or a missing signature in the Verification shall result in rejection and return of the annual report to the licensee.**

FEE: No fee is required to file the Annual Report.

PUBLIC INSPECTION: The individual annual reports filed pursuant to Section 22349.2 and 22357 of the Financial Code shall be made available to the public for inspection. The Department of Corporations shall prepare an annual consolidated report that aggregates the information received

from each annual report submitted by licensees for the designated year. The annual consolidated report shall be available to the public.

FOR ASSISTANCE AND INFORMATION REGARDING THE ANNUAL REPORT: Contact the Department of Corporations at **(866) ASK-CORP (1-866-275-2677).**

STATE OF CALIFORNIA -- BUSINESS, TRANSPORTATION AND HOUSING AGENCY

EDMUND G. BROWN Jr., *Governor*

DEPARTMENT OF CORPORATIONS

Business Services and Consumer and Investor Protection



To: CALIFORNIA CORPORATIONS COMMISSIONER, STATE OF CALIFORNIA

ANNUAL REPORT FOR

CALIFORNIA FINANCE LENDERS LAW LICENSEES ENGAGED IN BUSINESS UNDER THE

AFFORDABLE CREDIT-BUILDING OPPORTUNITIES (ACBO) PILOT PROGRAM

FOR THE YEAR ENDED DECEMBER 31, 20XX

THIS REPORT IS REQUIRED UNDER SECTIONS 22349.2 AND 22357 OF THE FINANCIAL CODE.

(PLEASE READ THE ATTACHED INSTRUCTIONS CAREFULLY BEFORE COMPLETING THE ANNUAL REPORT.)

1. Name of licensee (as shown on the license): _____

2. License number: _____

3. Business phone number: () _____

4. Fax number: () _____

5. Website address: _____

6. Total number of licensed locations at which business was conducted under the ACBO pilot program as of December 31, 20XX: _____

7. Total number of finders used during the calendar year: _____

8. Total number of finder locations used during the calendar year: _____

9. Business was conducted under the ACBO pilot program during the calendar year 20XX: YES

NO

10. Disclose by finder, the licensee's relationship, including ownership or other financial relationship, and business arrangement with each finder.

A-1(b) Number of Applications Taken and Loans Made Without Using A Finder

	<u>Number of Applications Taken</u>	<u>Number of Loans Made</u>	<u>Total Principal Amount of Loans Made</u>
<u>Totals</u>			\$

A-2(a) Number of Loans Made By Loan Size Using A Finder

<u>Finder</u>	<u>\$ 250 - 499</u>	<u>\$ 500 - 1,499</u>	<u>\$1,500 – 2,499</u>	<u>Total Loans Made</u>
1.				
2.				
3.				
4.				
5.				
6.				
7.				
<u>Totals</u>				

A—2(b) Number Of Loans Made By Loan Size Without Using A Finder

	<u>\$ 250 – 499</u>	<u>\$ 500 - 1,499</u>	<u>\$1,500 – 2,499</u>	<u>Total Loans Made</u>
	_____	_____	_____	_____
<u>Totals</u>	=====	=====	=====	=====

A-3(b) Number of Borrowers Who Obtained More Than One Loan Without Using A Finder

<u>Number of Borrowers Who Obtained More Than One Loan</u>	<u>Number of Borrowers With Credit Scores that Increased Over the Previous Loan</u>	<u>Percentage of Borrowers With Increased Credit Scores (e.g., .458=46)</u>	<u>Average Size of Increase In Credit Scores (Include Only Borrowers With Increased Scores)</u>	<u>Average Size of Increase/Decrease In Credit Scores For All Borrowers</u>
<u>Totals</u>			%	

B-1(b) Number of Loans By Income Distribution of Census Tract Without Using A Finder

	<u>Low</u>	<u>Moderate</u>	<u>Middle</u>	<u>Upper</u>	<u>Not Known</u>	<u>Total Loans Made</u>
<u>Totals</u>						

B-2(a) Number Of Loans Made To Borrowers With Bank Account(s) Using A Finder

<u>Finder</u>	<u>Number With Bank Account(s)</u>	<u>Number Without Bank Account(s)</u>	<u>Number of Borrowers Who Obtained More Than One Loan</u>	<u>Number With a Bank Account and also uses Check-Cashing Services</u>
1.				
2.				
3.				
4.				
5.				
6.				
7.				
<u>Totals</u>				

B-2(b) Number Of Loans Made To Borrowers With Bank Account(s) Without Using A Finder

<u>Number With</u>	<u>Number</u>	<u>Number of</u>	<u>Borrower Has a</u>
<u>Bank</u>	<u>Without Bank</u>	<u>Borrowers Who</u>	<u>Bank Account and</u>
<u>Account(s)</u>	<u>Account(s)</u>	<u>Obtained More Than</u>	<u>uses Check-Cashing</u>
		<u>One Loan</u>	<u>Services</u>
_____	_____	_____	_____
<u>Totals</u>	_____	_____	_____

SCHEDULE C

SCHEDULE OF LATE FEES CHARGED DURING THE YEAR BY SIZE

FOR CALENDAR YEAR 20XX

C-1(a) Number Of Loans Made Using A Finder In Which Late Fee(s) Were Charged

<u>Finder</u>	<u>\$ 250 - 499</u>	<u>\$ 500 - 1,499</u>	<u>\$1,500 – 2,499</u>	<u>Total Loans Made</u>
1.				
2.				
3.				
4.				
5.				
6.				
7.				
<u>Totals</u>				

C-1(b) Number Of Loans Made Without Using A Finder In Which Late Fee(s) Were Charged

	<u>\$ 250 - 499</u>	<u>\$ 500 - 1,499</u>	<u>\$1,500 – 2,499</u>	<u>Total Loans Made</u>
<u>Totals</u>				

C-2(a) Number Of Late Fees Charged On Loans Made Using A Finder

<u>Finder</u>	<u>\$ 250 - 499</u>	<u>\$ 500 - 1,499</u>	<u>\$1,500 – 2,499</u>	<u>Total Loans Made</u>
1.				
2.				
3.				
4.				
5.				
6.				
7.				
<u>Totals</u>				

C-2(b) Number Of Late Fees Charged On Loans Made Without Using A Finder

	<u>\$ 250 - 499</u>	<u>\$ 500 - 1,499</u>	<u>\$1,500 – 2,499</u>	<u>Total Loans Made</u>
<u>Totals</u>				

C-3(a) Dollar Amount of Late Fees Collected On Loans Made Using A Finder

<u>Finder</u>	<u>\$ 250 - 499</u>	<u>\$ 500 - 1,499</u>	<u>\$1,500 – 2,499</u>	<u>Total Late Fees in Dollars</u>
1.	\$			\$
2.				
3.				
4.				
5.				
6.				
7.				
<u>Totals</u>	\$			\$

C-3(b) Dollar Amount of Late Fees Collected On Loans Made Without Using A Finder

	<u>\$ 250 - 499</u>	<u>\$ 500 - 1,499</u>	<u>\$1,500 – 2,499</u>	<u>Total Late Fees in Dollars</u>
<u>Totals</u> \$				\$

C-4(a) Average Number of Late Fees Charged Per Loan Made Using A Finder

<u>Finder</u>	<u>\$ 250 - 499</u>	<u>\$ 500 - 1,499</u>	<u>\$1,500 – 2,499</u>	<u>Overall Average</u>
1.				
2.				
3.				
4.				
5.				
6.				
7.				
<u>Totals</u>				

C-4(b) Average Number of Late Fees Charged Per Loan Made Without Using A Finder

	<u>\$ 250 - 499</u>	<u>\$ 500 - 1,499</u>	<u>\$1,500 - 2,499</u>	<u>Overall Average</u>
<u>Totals</u>				

C-5(a) Percentage Of Loans Made With Late Fees Using A Finder

<u>Finder</u>	<u>\$ 250 – 499</u>	<u>\$ 500 – 1,499</u>	<u>\$1,500 - 2,499</u>	<u>Overall Percentage</u>
<u>1.</u>	<u>%</u>	<u>%</u>	<u>%</u>	<u>%</u>
<u>2.</u>				
<u>3.</u>				
<u>4.</u>				
<u>5.</u>				
<u>6.</u>				
<u>7.</u>				
<u>Totals</u>				

C-5(b) Percentage Of Loans Made With Late Fees Without Using A Finder

	<u>\$ 250 - 499</u>	<u>\$ 500 - 1,499</u>	<u>\$1,500 - 2,499</u>	<u>Overall Percentage</u>
<u>Totals</u>	<u>%</u>	<u>%</u>	<u>%</u>	<u>%</u>

SCHEDULE D

SCHEDULE OF LOANS MADE BY LOAN PURPOSE

FOR CALENDAR YEAR 200XX

D-1(a) Number Of Loans Made By Loan Purpose Using A Finder

<u>Finder</u>	<u>Medical</u>	<u>Other Emergency</u>	<u>Vehicle Repair</u>	<u>Vehicle Purchase</u>	<u>To Pay Bills</u>	<u>To Consolidate Debt</u>	<u>To Build or Repair Credit</u>	<u>Purchase Goods or Services Other Than a Vehicle</u>	<u>Other</u>
<u>1.</u>									
<u>2.</u>									
<u>3.</u>									
<u>4.</u>									
<u>5.</u>									
<u>6.</u>									
<u>7.</u>									
<u>TOTALS</u>									

D-1(b) Number Of Loans Made By Loan Purpose Without Using A Finder

	<u>Medical</u>	<u>Other Emergency</u>	<u>Vehicle Repair</u>	<u>Vehicle Purchase</u>	<u>To Pay Bills</u>	<u>To Consolidate Debt</u>	<u>To Build or Repair Credit</u>	<u>Purchase Goods or Services Other Than a Vehicle</u>	<u>Other</u>
<u>TOTALS</u>	=====	=====	=====	=====	=====	=====	=====	=====	=====

SCHEDULE E

SCHEDULE OF LOANS BY RATE CHARGES

FOR CALENDAR YEAR 20XX

E-1(a) Number Of Loans Made Between \$250 - \$499 Using A Finder

<u>Finder</u>	<u>Number of Loans Made Per Annualized Rate of Charge (APR)</u>								
	<u>Up to</u> 14.99%	15.00% - 19.99%	20.00% - 24.99%	25.00% - 29.99%	30.00% - 34.99%	35.00% - 39.99%	40.00% - 49.99%	50.00% or more	<u>Total Loans</u> <u>Made</u>
<u>1.</u>									
<u>2.</u>									
<u>3.</u>									
<u>4.</u>									
<u>5.</u>									
<u>6.</u>									
<u>7.</u>									

Totals

SCHEDULE E

SCHEDULE OF LOANS BY RATE CHARGES

FOR CALENDAR YEAR 20XX

E-2(a) Number Of Loans Made Between \$500 - \$1,499 Using A Finder

<u>Finder</u>	<u>Number of Loans Made Per Annualized Rate of Charge (APR)</u>										<u>Total Loans Made</u>
	<u>Up to</u>	<u>15.00% -</u>	<u>20.00% -</u>	<u>25.00% -</u>	<u>30.00% -</u>	<u>35.00% -</u>	<u>40.00% -</u>	<u>50.00% or</u>	<u>more</u>		
<u>1.</u>	<u>14.99%</u>	<u>19.99%</u>	<u>24.99%</u>	<u>29.99%</u>	<u>34.99%</u>	<u>39.99%</u>	<u>49.99%</u>	<u>more</u>			
<u>2.</u>											
<u>3.</u>											
<u>4.</u>											
<u>5.</u>											

6. _____
7. _____
8. _____
9. _____
10. _____
11. _____
12. _____
13. _____
14. _____
15. _____

Totals

E-2(b) Number Of Loans Made Between \$500 - \$1,499 Without Using A Finder

<u>Number of Loans Made Per Annualized Rate of Charge (APR)</u>						
<u>Up to</u>	<u>15.00% -</u>	<u>20.00% -</u>	<u>25.00% -</u>	<u>30.00% -</u>	<u>35.00% -</u>	<u>50.00% or</u>
<u>14.99%</u>	<u>19.99%</u>	<u>24.99%</u>	<u>29.99%</u>	<u>34.99%</u>	<u>39.99%</u>	<u>more</u>
						<u>Total Loans</u>
						<u>Made</u>

SCHEDULE E

SCHEDULE OF LOANS BY RATE CHARGES
FOR CALENDAR YEAR 20XX

E-3(a) Number Of Loans Made Between \$1,500 - \$2,499 Using A Finder

<u>Number of Loans Made Per Annualized Rate of Charge (APR)</u>						
<u>Finder</u>	<u>Up to</u>	<u>15.00% -</u>	<u>20.00% -</u>	<u>25.00% -</u>	<u>30.00% -</u>	<u>40.00% -</u>
	<u>14.99%</u>	<u>19.99%</u>	<u>24.99%</u>	<u>29.99%</u>	<u>34.99%</u>	<u>49.99%</u>
						<u>50.00% or</u>
						<u>more</u>
						<u>Total Loans</u>
						<u>Made</u>

1. _____

2. _____

3. _____

4. _____

5. _____

6. _____

7. _____

8. _____

9. _____

10. _____

11. _____

12. _____

13. _____

14. _____

15. _____

Totals

E-3(b) Number Of Loans Made Between \$1,500 - \$2,499 Without Using A Finder

<u>Number of Loans Made Per Annualized Rate of Charge (APR)</u>							
<u>Up to</u>	<u>15.00% -</u>	<u>20.00% -</u>	<u>25.00% -</u>	<u>30.00% -</u>	<u>35.00% -</u>	<u>40.00% -</u>	<u>50.00% or</u>
<u>14.99%</u>	<u>19.99%</u>	<u>24.99%</u>	<u>29.99%</u>	<u>34.99%</u>	<u>39.99%</u>	<u>49.99%</u>	<u>more</u>
							<u>Total Loans</u>
							<u>Made</u>

Totals

SCHEDULE F

SCHEDULE OF LOAN PERFORMANCE

AS OF YEAR END 20XX

F-1(a) Number Of Loans (using a Finder) With Past Due Payments and Percentage Of Loans With Past Due Payments

<u>Finder</u>	<u>NUMBER OF LOANS PAST DUE</u>		<u>PERCENTAGE OF LOANS PAST DUE</u>						
	<u>NUMBER OF LOANS OUTSTANDING</u>	<u>Current Loan</u>	<u>1 Payment Past Due</u>	<u>2 Payments Past Due</u>	<u>3 or more Payments Past Due</u>	<u>Current Loan</u>	<u>1 Payment Past Due</u>	<u>2 Payments Past Due</u>	<u>3 or more Payments Past Due</u>
<u>1.</u>	_____	_____	_____	_____	_____	_____	_____	_____	_____
<u>2.</u>	_____	_____	_____	_____	_____	_____	_____	_____	_____
<u>3.</u>	_____	_____	_____	_____	_____	_____	_____	_____	_____
<u>4.</u>	_____	_____	_____	_____	_____	_____	_____	_____	_____
<u>5.</u>	_____	_____	_____	_____	_____	_____	_____	_____	_____
<u>6.</u>	_____	_____	_____	_____	_____	_____	_____	_____	_____
<u>7.</u>	_____	_____	_____	_____	_____	_____	_____	_____	_____
<u>8.</u>	_____	_____	_____	_____	_____	_____	_____	_____	_____
<u>9.</u>	_____	_____	_____	_____	_____	_____	_____	_____	_____
<u>10.</u>	_____	_____	_____	_____	_____	_____	_____	_____	_____
<u>11.</u>	_____	_____	_____	_____	_____	_____	_____	_____	_____
<u>12.</u>	_____	_____	_____	_____	_____	_____	_____	_____	_____

