



State Of California
Business, Transportation And Housing Agency
DEPARTMENT OF CORPORATIONS
California's Investment and Financing Authority

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**EFFECTIVE JULY 1, 2004, FINANCE LENDERS MUST TRANSLATE AGREEMENTS
INTO CHINESE, TAGALOG, VIETNAMESE, AND KOREAN,
IN ADDITION TO SPANISH**

This release provides information on recent amendments to Civil Code Section 1632, and their impact on finance lenders under the California Finance Lenders Law (Financial Code Section 22000 et seq.).

Recent amendments to Civil Code Section 1632 provide that, effective July 1, 2004, every finance lender that negotiates a loan for personal, family or household purposes primarily in Chinese, Tagalog, Vietnamese, Korean, or Spanish must deliver to the consumer a translation of the agreement in the language in which the agreement is negotiated.

The translation of the agreement must include every term and condition in the agreement.

Alternatively, a finance lender will be deemed in compliance of the delivery requirement if the finance lender provides to the consumer the following, prior to the execution of the contract or agreement, in the language in which the agreement was negotiated:

- The disclosures required by Regulation M or Regulation Z of the Federal Truth in Lending Act, as amended (15 U.S.C. Sec. 1601 et seq.); and
- Any disclosures required under the California Finance Lenders Law.

A finance lender must also conspicuously display a notice at the time and place where the agreement is executed, in the language in which the agreement is negotiated. The notice is to indicate that a translation of the agreement or a translation of the disclosures must be provided by the finance lender in the language in which the agreement is negotiated.

(Continued)

For additional information, please reference Civil Code Section 1632.

WILLIAM P. WOOD
California Corporations Commissioner

By _____
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