

g.	<u>Adjustable Rate Mortgage Loans (ARMS)</u>	<u>An adjustable rate mortgage loan that has one or more of the following characteristics: (1) low initial payments based on a fixed introductory rate that expires after a short period and then adjusts to a variable index rate plus a margin for the remaining term of the loan; (2) very high or no limits on how much the payment amount or the interest rate may increase (“payment or rate caps”) on reset dates; (3) limited or no documentation of borrower’s income; (4) product features likely to result in frequent refinancing to maintain an affordable monthly payment; and/or (5) substantial prepayment penalties and/or prepayment penalties that extend beyond the initial fixed interest rate period. As an example of item (1) above, ARMs known as “2/28” loans feature a fixed rate for two years and then adjust to a variable rate for the remaining 28 years, and the spread between the initial fixed interest rate and the fully indexed interest rate in effect at loan origination typically ranges from 300 to 600 basis points.</u>
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SCHEDULE M

ADDITIONAL LOAN INFORMATION

1. Please answer the following questions in connection with the Secure and Fair Enforcement for Mortgage Licensing Act of 2008 (SAFE Act): (Information regarding the SAFE Act can be found on our website at www.dbo.ca.gov).

A. Did you make, arrange or service any residential mortgage loans as defined by the SAFE Act? Yes No

B. How many mortgage loan originators did you employ as of 12/31/XX for this activity? _____

C. Indicate the NMLS Unique Identifier Number: _____

2. Under the authority of your California Finance Lenders license, please indicate which of the following type(s) of loan programs were provided to applicants during the calendar year:

A. Consumer first mortgage loans (1-4 units) Yes No

B. Consumer unsecured loans Yes No

C. Consumer personal property loans Yes No

D. Automobiles and other motor vehicles Yes No

E. Auto title loans Yes No

F. Affordable Credit-Building Opportunity loans Yes No

G. Commercial real estate loans Yes No

H. Commercial unsecured loans Yes No

I. Commercial business equipment Yes No

J. Commercial automobiles and other motor vehicles Yes No

K. Accounts receivable financing Yes No

L. Other CFLL activity (describe below) Yes No

3. The following questions are in connection with the California Foreclosure Reduction Act and the single point of contact requirement in Civil Code Section 2923.7.

A. During the calendar year, did you foreclose on 175 or fewer residential real properties containing no more than four dwelling units that are located in California? Yes No

B. Provide your total number of foreclosures initiated during the calendar year 20XX on residential real properties located in California, containing no more than four dwelling units. _____

C. Provide your total number of foreclosures that resulted in the sale of residential real properties located in California, containing no more than four dwelling units, during the calendar year. _____

<u>Security Type</u>	<u>Total Number of Charge- Offs</u>	<u>Total Number of Loans Outstanding</u>	<u>NUMBER OF LOANS PAST DUE</u>				<u>PERCENTAGE OF LOANS 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>Current Loan</u>	<u>1 Payment Past Due</u>	<u>2 Payments Past Due</u>	<u>3 or More Payments Past Due</u>

Consumer Loans \$2,500 to \$4,999

8. Unsecured Loans

Personal Property

9. (Household items)

Automobiles And

10. Other Vehicles

11. Auto Title Loans

12. Wage Assignment

13. Other Security

14. **Totals**

Consumer Loans \$5,000 to \$9,999

15. Unsecured Loans

<u>Security Type</u>	<u>Total Number of Charge- Offs</u>	<u>Total Number of Loans Outstanding</u>	<u>NUMBER OF LOANS PAST DUE</u>				<u>PERCENTAGE OF LOANS 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>Current Loan</u>	<u>1 Payment Past Due</u>	<u>2 Payments Past Due</u>	<u>3 or More Payments Past Due</u>

Personal Property

16. (Household items)

Automobiles And

17. Other Vehicles

18. Auto Title Loans

19. Wage Assignment

20. Other Security

21. **Totals**

_____	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
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_____	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____

Consumer Loans \$10,000 or More

22. Unsecured Loans

Personal Property

23. (Household items)

24. Automobiles And

_____	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____

<u>Security Type</u>	<u>Total Number of Charge- Offs</u>	<u>Total Number of Loans Outstanding</u>	<u>NUMBER OF LOANS PAST DUE</u>				<u>PERCENTAGE OF LOANS 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>Current Loan</u>	<u>1 Payment Past Due</u>	<u>2 Payments Past Due</u>	<u>3 or More Payments Past Due</u>
<u>Other Vehicles</u>										
25. <u>Auto Title Loans</u>										
26. <u>Wage Assignment</u>										
27. <u>Other Security</u>										
28. <u>Totals</u>										

Note: Authority cited: Sections 22150 and 22159, Financial Code. Reference: Sections 22159, 22160 and 22715, Financial Code.

9. Section 1581 is amended to read:

§ 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 of Business Oversight 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 of Business Oversight on the following form:

STATE OF CALIFORNIA

DEPARTMENT OF ~~CORPORATIONS~~ BUSINESS OVERSIGHT

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 of Business Oversight 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~~ Business Oversight and from the website at ~~www.corp.ca.gov~~www.dbo.ca.gov. The office locations are as follows:

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

One Sansome Street, Suite 600 San Francisco, CA 94104

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.

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

- Within 30 calendar days from the receipt of the application, the ~~California Corporations~~ Commissioner of Business Oversight 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.

CFL 1581 Information (~~11/10~~)

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 of Business Oversight?

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 of Business Oversight as required under Section 22352(g)(1) of the Financial Code?

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

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

No , the credit education program or seminar will be submitted to the ~~California Corporations~~ Commissioner of Business Oversight 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 of Business Oversight 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.

12. Provide the social security number of the applicant if an individual (sole proprietor), or the federal taxpayer identification number if a business entity other than a sole proprietorship, marked as Exhibit 6. The Department of Business Oversight is required to collect from all applicants social security numbers under Family Code Section 17520, and social security numbers or federal taxpayer identification numbers under Business and Professions Code Section 494.5. The social security number or federal taxpayer identification number is used to match the information to the names on the list provided by the Department of Child Support Services under Family Code Section 17520, and the lists of tax delinquencies provided by the State Board of Equalization and the Franchise Tax Board under Business and Professions Code Section 494.5. Any disclosed social security numbers or federal taxpayer identification numbers in the completed application will be considered confidential information, and will be filed and maintained as part of the confidential records not subject to public inspection. Refer to Commissioner's Release 2-G for further information concerning privacy protection of personal information.

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 which are not designated as confidential 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.

