

*STATE OF CALIFORNIA
ARNOLD SCHWARZENEGGER, Governor*

BUSINESS, TRANSPORTATION AND HOUSING AGENCY

DEPARTMENT OF CORPORATIONS

*Preston DuFauchard
California Corporations Commissioner*

FINANCIAL SERVICES DIVISION

*LOUISA A. BROUDY, Deputy Commissioner
STEVEN C. THOMPSON, Special Administrator*

California Deferred Deposit Transaction Law

1515 K Street, Suite 200
Sacramento, CA 95814

320 West 4th Street, Suite 75
Los Angeles, CA 90013

71 Stevenson Street, Suite 21
San Francisco, CA 94105

1350 Front Street, Room 203
San Diego, CA 92101

Los Angeles, California
August 1, 2006

This Report includes data submitted by deferred deposit originators licensed under the California Deferred Deposit Transaction Law. Senate Bill 898 established the California Deferred Deposit Transaction Law and transferred the responsibility for licensing and regulating persons engaged in the business of deferred deposit transactions from the Department of Justice to the Department of Corporations. The bill required all businesses subject to the law to obtain a license from the Department of Corporations prior to the operative date of the law. The effective date of Senate Bill 898 was January 1, 2003, though the new law was not operative until March 1, 2004. Subsequently, Assembly Bill 971 extended the operative date of the California Deferred Deposit Transaction Law until December 31, 2004.

This Report is based on unaudited data presented by licensees and submitted in a format prescribed by the Department of Corporations. The reader should be aware that the data contained herein is primarily statistical in nature. Certain statistical data compilations required of licensees have been modified to provide more meaningful statistics.

AS OF	NUMBER OF LICENSEES
DECEMBER 31, 2004	2,100
DECEMBER 31, 2005	2,445

CALIFORNIA DEFERRED DEPOSIT TRANSACTION LAW
CONSOLIDATED ANNUAL REPORT FOR THE CALENDAR YEAR 2005

Total Dollar Amount Of Deferred Deposit Transactions Made	\$2,479,725,858
Total Number Of Deferred Deposit Transactions Made	9,785,004
Total Number Of Individual Customers Who Obtained Deferred Deposit Transactions (repeat customers counted once)	1,536,600
Average Dollar Amount Of Deferred Deposit Transactions Made	\$253
Minimum Dollar Amount Of Deferred Deposit Transactions Made	\$9
Maximum Dollar Amount Of Deferred Deposit Transactions Made	\$1,000*
Average Annual Percentage Rate (APR)	426%
Average Number Of Days Of Deferred Deposit Transactions	17
Total Number of Returned Checks From Deferred Deposit Trans- actions	689,540
Percentage Of Total Number Of Returned Checks To Total Number Of Deferred Deposit Transactions Made	7.05%
Total Dollar Amount Of Returned Checks From Deferred Deposit Transactions	\$180,993,630
Percentage Of Total Dollar Amount Of Returned Checks To Total Dollar Amount Of Deferred Deposit Transactions Made	7.30%
Total Number of Returned Checks From Deferred Deposit Transactions Recovered (includes partial recoveries)	493,780
Percentage Of Total Number Of Returned Checks From Deferred Deposit Transactions To Total Number Of Deferred Deposit Transactions Made	5.05%
Total Dollar Amount of Returned Checks Recovered (includes partial recoveries)	\$107,640,408
Percentage Of Total Dollar Amount Of Returned Checks Recovered (including partial recoveries) To Total Dollar Amount Of Deferred Deposit Transactions Made	4.34%
Total Number Of Checks Charged Off (includes partial balances charged off)	336,498
Percentage Of Total Number Of Checks Charged Off (including partial balances) To Total Number Of Deferred Deposit Trans- actions Made	3.44%
Total Dollar Amount Of Deferred Deposit Transactions Charged Off (includes partial balances charged off)	\$65,216,098
Percentage Of Total Dollar Amount of Checks Charged Off (including partial balances charged off) to Total Dollar Amount Of Deferred Deposit Transactions Made	2.63%

* 3% of the companies reported a maximum loan amount over \$300 (the maximum allowed under the California Deferred Deposit Transaction Law).

The Department of Corporations is following up with those companies that reported making loans greater than the \$300 to determine the reasons for the amounts in excess of the limitation.