



2019

California Department of Business Oversight

Annual Report of Activity under the Pilot Program for
Increased Access to Responsible Small Dollar Loans

Report Required by Financial Code Section 22380



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EXECUTIVE SUMMARY

The Department of Business Oversight (DBO) licenses and regulates finance lenders, brokers, and Property Assessed Clean Energy (PACE) Program Administrators pursuant to the California Financing Law (CFL). The Pilot Program for Increased Access to Responsible Small Dollar Loans (Pilot Program) was designed to increase consumers' access to capital by encouraging more robust small-dollar lending in California. The minimum loan amount is \$300, and the maximum loan amount is \$7,500. Importantly, loans of more than \$2,500 are capped at 36 percent of the borrower's monthly income.

Key findings of this report include:

- Pilot Program lenders approved 322,503 loans in 2019, representing an increase of 40 percent since 2017 and 8 percent since 2018.
- The annual total principal amount of loans made in 2019 was \$428.4 million, representing an increase of 65 percent since 2017 and 30 percent since 2018.
- The number of borrower applications received in 2019 was 784,890 in 2019, representing an increase of 47 percent since 2017 and 15 percent since 2018.
- Over the three-year period, 57 percent of borrowers who took out more than one loan received higher credit scores in the process.
- The law allows Pilot Program participants to use finders. Although not licensed by the Department, finders are also subject to regulatory examinations. Eight finders were subject to regulatory examination during 2019.
- Ten consumer complaints were received from 2017 to 2019. Of the ten complaints, two of the complaints involved finders.
- There were 19 approved Pilot Program participants in 2019. All 19 submitted their annual reports. One participant's CFL license was revoked during 2019 for failure to pay its annual assessment, reducing the number of Pilot Program participants to only 18 by year end.

BACKGROUND

In 2010, the Affordable Credit Building Opportunities Pilot Program was enacted and placed under the California Financing Law. The goal was to increase consumers' access to capital by encouraging a more robust small-dollar loan market in California. The program's provisions, which took effect January 1, 2011, applied to consumer loans of \$250 to \$2,499.

To incentivize lenders' participation, borrowers could be charged marginally higher interest rates and larger origination and delinquency fees than permitted for CFL consumer loans of that size made outside the program. A low lender participation rate led to the program's demise. It was replaced in 2013 by the Pilot Program for Increased Access to Responsible Small Dollar Loans. This Pilot Program took effect January 1, 2014, and Pilot Program sunsets January 1, 2023 (Financial Code section 22365 *et seq.*).

Pilot Program lenders may still charge marginally higher interest rates than otherwise permitted under the CFL. The Pilot Program also provides underwriting standards, mandatory reporting to credit bureaus, a cap on the share of gross monthly income that can be consumed by the loan payment, a ban on credit insurance, and a ban on requiring borrowers to waive their right to sue as a condition of obtaining a loan.

Pilot Program participants are also permitted to use "finders." Finders are not licensed by the DBO and cannot provide advice or counseling to borrowers. Finders can distribute lenders' marketing materials, provide factual information about loan terms and conditions, help borrowers with loan applications, and obtain borrowers' signatures on documents. The finder may be paid \$2 per payment received on the borrower's behalf for the loan's duration. The fees are paid by lenders, cannot be based on the principal amount of the loans, and cannot be passed on to borrowers.

In 2018, Assembly Bill 237 introduced changes to the Pilot Program. These changes, which became effective on January 1, 2019, include:

- Increasing the maximum loan amount from \$2,499 to \$7,500 and establishing a debt-to-income cap of 36 percent of the borrower's monthly income for a loan greater than \$2,500.
- Requiring the DBO to examine each finder used by a Pilot Program licensee at least once every 24 months.
- Authorizing DBO to charge a Pilot Program licensee that uses one or more finders a fee to offset the costs of the finder examinations.
- Increasing Pilot Program licensees' reporting requirements to include specific information on each finder whose services were used.
- Requiring Pilot Program licensees to perform reasonable background checks on their finders.
- Requiring program licensees to reduce the interest rates on loans made to borrowers who obtain subsequent loans and meet certain requirements.
- Requiring the DBO to publish in the annual report required by Financial Code section 22380 **information for each specific finder** whose services were used by a licensee in connection with the loans or loan applications, along with the specific finder's identity.

The DBO is required to post a report every year on its internet website summarizing utilization of its Pilot Program pursuant to Financial Code section 22380.

I. LENDER PARTICIPATION AND ACTIVITY

This report summarizes loan activity in the Pilot Program for the period January 1, 2017 through December 31, 2019. The full licensing data is provided in the Appendix.

Pilot Program Participation

From 2017 through 2019, the DBO received 13 applications for CFL lenders to participate in the Pilot Program, and 8 applications were approved during this period. During 2019, a total of 19 lenders participated in the Pilot Program.

Over the same period, the use of finders increased. In 2017, 33 finders were approved, operating from 401 finder locations. In 2018, 109 finders were approved, operating from 616 finder locations. As of 2019, a total of 182 finders were approved, operating from 722 finder locations. Of the 182 approved finders, 85 finders reported activities in the Pilot Program in 2019.

Table 1: Lender Applications and Approvals

	2017	2018	2019
Applications as of January 1	6	5	3
Applications received	3	1	9
Applications approved	4	1	3
Applications denied	0	2	1
Applications voluntarily withdrawn	0	0	0
Year-end applications pending	5	3	8
CFL license surrendered	1	1	0
CFL license revoked	0	0	1
Withdrawal from Pilot Program	1	0	0
Total participants at year-end	16	16	18

Pilot Program Lending Activity Highlights

- Loan Size – Over the three-year period, the number of Pilot Program loans made in the \$300 to \$499 range increased by 79 percent over 2017 and 29 percent over 2018. Compared to 2017 and 2018, the number of loans made in the ranges between \$1,000 to \$2,499 decreased in 2019. However, 12 percent of the loans made in 2019 were in the range between \$2,500 to \$4,999, and less than 1 percent of the loans were in the range between \$5,000 to \$7,499.
- Annual Percentage Rates – Of the 43,950 loans made in the \$300 to 499 range in 2019, 97 percent carried an annual percentage rate (APR) of 50 or more. For the loans made in the \$500 to \$999 range, 67 percent carried an APR of 50 or more; 24 percent of the loans made in the \$1,000 to \$1,499 range; and 4 percent of the loans made in the \$1,500 to \$2,499 range carried an APR of 50 or more.
- Delinquencies – Of the 322,503 loans made in 2019, 16 percent were delinquent for 7 to 29 days, 6 percent were delinquent for 30 to 59 days, and 6 percent were delinquent for 60 days or more.

- Multiple Loans – The total number of borrowers who took out more than one loan in 2019 was 37,429, representing an increase of 96 percent since 2017 and 15 percent since 2018.
- LoanTerm – Of the 322,503 loans made in 2019, 56 percent were for 360 days or more; 11 percent were for 270 days to 359 days; 25 percent were for 180 days to 269 days; and 8 percent were for 120 days to 179 days.
- Borrower Income – Of the 852,900 loans made from 2017 through 2019, 16 percent were to resident of low-income neighborhoods; 36 percent to residents of moderate-income neighborhoods; 23 percent to residents of middle-income neighborhoods; and 11 percent to residents of upper-income neighborhoods.

Of the 322,503 loans made in 2019, 16 percent were to borrowers with income less than \$20,000; 65 percent were to borrowers with income between \$20,000 to \$44,999; 18 percent were to borrowers with income between \$45,000 to \$139,000, and less than one percent of the loans were made to borrowers with income \$140,000 and above.

- Loan Purpose – In 2019, 22 percent of the borrowers took out loans to pay bills; 20 percent to build or repair credit; 16 percent for non-vehicle purchases; 8 percent for medical or other emergencies; 6 percent for vehicle repair; 6 percent to consolidate debt; 5 percent for vehicle purchases; 1 percent for purposes other than personal or household; and 17 percent for other unspecified reasons
- Finder vs. No Finder – 39,296 borrowers applied to refinance their loans without using finder, compared to 11,198 borrowers who applied to refinance their loans using finder. In 2019, the average increase in credit scores for the loans made without using finder was 253 compared to 184 for loans made using finder.

II. VIOLATIONS FOUND DURING EXAMINATIONS

The information provided in this section was obtained from regulatory examinations the DBO conducted of finance lenders who participated in the Pilot Program from January 1, 2017 through December 31, 2019. These examinations were conducted under the authority of Financial Code section 22380(d) and its predecessor statute.

The purpose of regulatory examinations is to obtain information about whether lenders and finders who participate in the Pilot Program have complied with the program's regulations. Over the three-year period, the DBO conducted 15 regulatory examinations of 19 lenders who participated in the Pilot Program. Total number of lenders that were subject to regulatory examination were three in 2017, nine in 2018, and three in 2019. Three of the 19 lenders were examined twice from 2017 through 2019. However, not all examinations of these lenders were finalized as of December 31, 2019.

Table 2: Number and Type of Violations (Lender)

Violation Description	CFL Section	2017	2018	2019
Net worth deficiency	22104	0	0	1
Current officers list not maintained	22105	0	1	2
Other business activity not approved	22154	0	0	1
Borrower disclosures did not contain accurate information	22161	0	0	4
ACH and disallowed fees charged on loans with a bona fide principal amount of less than \$5,000	22200, 22201, 22202, 22303, 22304, 22307	0	0	1
Loans charged interest over the maximum allowed	22308, 22352(b), 22370(b)	1	1	0
Loan documents contained blank spaces	22333	0	0	1
Borrowers charged delinquency fees exceeding the maximum allowed	22352(e) & 22370(f)	0	0	2
Administrative fee overcharge for refinanced loans	22370(c)(3) & 22370(c)(4)	0	1	0
Borrowers not asked about outstanding payday loans	22370(f)(4)(B)	1	0	0
Borrower's payment history not provided to credit reporting agency	22370(i)(2)	0	0	1
Borrowers not provided with credit reporting agency information	22370(i)(3)	0	0	2
Loans made to borrowers who did not have the ability to repay the loan	22370(i)(4)	0	0	3
Finder location not registered	22371	0	0	1
Finder services not performed at registered physical locations	22372	0	0	1
Disbursement receipt did not contain required disclosures	22372(b)(1)(B)	1	0	0
Borrower not provided with written copy of the disclosure notice	22373(d)	1	0	1

In 2019, the DBO also conducted regulatory examinations of eight finders and visited 51 finder locations who participated in the Pilot Program. No finders were disqualified or barred from performing services. No written agreements between a finder and licensee were terminated, and no administrative penalties were imposed.

Table 3: Number and Type of Violations (Finder)

Violation Description	CFL Section	2017	2018	2019
Borrower not provided with loan documents in preferred language	22368	N/A	N/A	2
Borrower not asked about outstanding payday loans	22370(i)(4)(B)(ii)	N/A	N/A	1
Borrower not provided with complete payment receipt	22372(b)(2)(B)	N/A	N/A	2
Borrower provided with loan-related marketing materials not approved by lender	22372(c)(2) FC	N/A	N/A	2
Borrower not provided with written copy of the disclosure notice	22373	N/A	N/A	6
Fees paid to finder exceeded the maximum allowed	22374	N/A	N/A	2
Current list of registered finder locations not maintained	22375	N/A	N/A	1

III. COMPLAINT INFORMATION

There were 10 complaints received by the DBO about pilot program lenders from January 1, 2017 through December 31, 2019. Of the five complaints received in 2019, two complaints were about finders.

Table 4: Pilot Program Lender Complaints

	2017	2018	2019	Totals
Number of Complaints	2	3	5	10

The table below summarizes the issues covered in the complaints. A single complaint can cover multiple issues.

Table 5: Complaints by Complaint Reason

	2017	2018	2019	Totals
Administrative dispute	0	0	0	0
Mishandled transaction	0	0	0	0
Poor customer service	0	0	1	1
Payment dispute	2	3	1	6
Unauthorized withdrawals	0	0	1	1
Unauthorized credit report	0	0	1*	1
Identity theft allegation	0	0	1*	1

*Consumer complaints about finders.

IV. RECOMMENDATIONS FOR IMPROVING PROGRAM

The current version of the Pilot Program has been operational only since January 1, 2019. Increasing the maximum loan amount from \$2,499 to \$7,500 in 2019 may have contributed to the increase in the total number of loans made in 2019.

The DBO recommends policymakers give the program more time to gather data before making changes. The multiple statutory changes enacted since program inception did increase the number of lenders participating in the program, but the total remains less than 20.

One Pilot Program participant recommended removing the income verification stipulation or allowing income verification to be completed via electronic mobile phone-based technology. The DBO will continue to consult with licensees, consumer advocates, and policymakers on this and other suggestions.

APPENDIX

LICENSING DATA

The information provided in this section was obtained from statutorily required annual reports that participating Pilot Program lenders filed with the DBO.

Pursuant to Government Code section 6254(d)(2), lender-specific information disclosed in the annual reports is exempt from mandatory disclosure under the California Public Records Act. The data provided in this report represent the aggregate totals for participating lenders.

Table 6: Applications and Loans Made Using Finder

	2017	2018	2019
Number of Applications	170,146	263,283	310,153
Number of Loans	65,239	107,342	124,942
Loans as Percentage of Applications	38%	41%	40%
Total Principal Amount of Loans	\$76,510,324	\$136,199,421	\$213,669,100

Table 7: Applications and Loans Made Without Using Finder

	2017	2018	2019
Number of Applications	363,591	418,187	474,737
Number of Loans	165,616	192,200	197,561
Loans as Percentage of Applications	46%	46%	42%
Total Principal Amount of Loans	\$182,449,652	\$193,656,421	\$214,763,498

Table 8: Loans by Loan Term: Using Finder

Loan Term	2017	2018	2019
90-119 Days	0	0	0
120-179 Days	9,559	15,959	24,930
180-269 Days	13,928	16,893	13,687
270-359 Days	7,504	11,716	10,012
≥ 360 Days	34,248	62,774	76,313

Table 9: Loans by Loan Term: Without Using Finder

Loan Term	2017	2018	2019
90-119 Days	0	0	53
120-179 Days	0	71	1,607
180-269 Days	51,389	68,039	67,996
270-359 Days	33,552	28,697	24,208
≥ 360 Days	80,675	95,393	103,697

Table 10: Loans of \$300-\$499, by APR, Using Finder

	2017	2018	2019
Up to 14.99%	0	0	0
15% - 19.99%	0	0	0
20% - 24.99%	0	0	0
25% - 29.99%	0	0	0
30% - 34.99%	0	5	176
35% - 39.99%	69	215	665
40% - 49.99%	212	209	4
50% or more	9,779	16,132	24,388
Total Loans	10,060	16,561	25,233

Table 11: Loans of \$300-\$499, by APR, Without Using Finder

	2017	2018	2019
Up to 14.99%	18	107	0
15% - 19.99%	39	79	0
20% - 24.99%	153	175	0
25% - 29.99%	670	1,020	362
30% - 34.99%	26	26	24
35% - 39.99%	43	76	209
40% - 49.99%	83	90	3
50% or more	13,464	15,936	18,119
Total Loans	14,496	17,509	18,717

Table 12: Loans of \$500-\$999, by APR, Using Finder

	2017	2018	2019
Up to 14.99%	0	0	0
15% - 19.99%	0	0	0
20% - 24.99%	0	0	0
25% - 29.99%	0	0	0
30% - 34.99%	0	16	1,105
35% - 39.99%	673	1,389	1,121
40% - 49.99%	453	1,001	1,167
50% or more	16,525	21,333	12,423
Total Loans	17,651	23,739	15,816

Table 13: Loans of \$500-\$999, by APR, Without Using Finder

	2017	2018	2019
Up to 14.99%	53	258	85
15% - 19.99%	99	177	0
20% - 24.99%	334	344	4
25% - 29.99%	1,611	1,151	611
30% - 34.99%	1,993	1,583	3,157
35% - 39.99%	4,086	4,357	644
40% - 49.99%	14,290	26,498	28,577
50% or more	40,760	57,383	62,040
Total Loans	63,226	91,751	95,118

Table 14: Loans of \$1,000-\$1,499, by APR, Using Finder

	2017	2018	2019
Up to 14.99%	0	0	0
15% - 19.99%	0	0	0
20% - 24.99%	0	0	0
25% - 29.99%	0	0	0
30% - 34.99%	432	67	409
35% - 39.99%	1,250	2,831	1,000
40% - 49.99%	11,739	26,972	17,451
50% or more	1,685	2,008	4,035
Total Loans	15,106	31,878	22,895

Table 15: Loans of \$1,000-\$1,499, by APR, Without Using Finder

	2017	2018	2019
Up to 14.99%	23	0	178
15% - 19.99%	32	221	0
20% - 24.99%	191	188	43
25% - 29.99%	594	765	371
30% - 34.99%	2,113	1,679	730
35% - 39.99%	3,405	2,626	555
40% - 49.99%	24,862	21,976	20,715
50% or more	12,450	10,585	9,251
Total Loans	43,670	38,040	31,843

Table 16: Loans of \$1,500-\$2,499, by APR, Using Finder

	2017	2018	2019
Up to 14.99%	0	0	0
15% - 19.99%	0	0	0
20% - 24.99%	0	0	0
25% - 29.99%	0	0	0
30% - 34.99%	649	962	782
35% - 39.99%	9,886	23,885	11,101
40% - 49.99%	11,887	10,105	12,847
50% or more	0	212	0
Total Loans	22,422	35,164	24,730

Table 17: Loans of \$1,500-\$2,499, by APR, Without Using Finder

	2017	2018	2019
Up to 14.99%	21	95	0
15% - 19.99%	43	63	5
20% - 24.99%	210	172	131
25% - 29.99%	1,199	1,130	473
30% - 34.99%	5,889	3,575	1,884
35% - 39.99%	13,303	11,230	9,557
40% - 49.99%	23,559	28,622	31,013
50% or more	0	13	3,031
Total Loans	44,224	44,900	46,094

Table 18: Loans of \$2,500-\$4,999, by APR, Using Finder

	2017	2018	2019
Up to 14.99%	N/A	N/A	0
15% - 19.99%	N/A	N/A	0
20% - 24.99%	N/A	N/A	0
25% - 29.99%	N/A	N/A	1
30% - 34.99%	N/A	N/A	7,461
35% - 39.99%	N/A	N/A	28,806
40% - 49.99%	N/A	N/A	0
50% or more	N/A	N/A	0
Total Loans	N/A	N/A	36,268

Table 19: Loans of \$2,500-\$4,999, by APR, Without Using Finder

	2017	2018	2019
Up to 14.99%	N/A	N/A	0
15% - 19.99%	N/A	N/A	0
20% - 24.99%	N/A	N/A	0
25% - 29.99%	N/A	N/A	2,441
30% - 34.99%	N/A	N/A	96
35% - 39.99%	N/A	N/A	670
40% - 49.99%	N/A	N/A	0
50% or more	N/A	N/A	0
Total Loans	N/A	N/A	3,207

Table 20: Loans of \$5,000-\$7,499, by APR, Using Finder

	2017	2018	2019
Up to 14.99%	N/A	N/A	0
15% - 19.99%	N/A	N/A	0
20% - 24.99%	N/A	N/A	0
25% - 29.99%	N/A	N/A	0
30% - 34.99%	N/A	N/A	0
35% - 39.99%	N/A	N/A	0
40% - 49.99%	N/A	N/A	0
50% or more	N/A	N/A	0
Total Loans	N/A	N/A	0

Table 21: Loans of \$5,000-\$7,499, by APR, Without Using Finder

	2017	2018	2019
Up to 14.99%	N/A	N/A	0
15% - 19.99%	N/A	N/A	0
20% - 24.99%	N/A	N/A	0
25% - 29.99%	N/A	N/A	2,580
30% - 34.99%	N/A	N/A	0
35% - 39.99%	N/A	N/A	0
40% - 49.99%	N/A	N/A	0
50% or more	N/A	N/A	2
Total Loans	N/A	N/A	2,582

Table 22: Loans Made by Size Using Finder

	2017	2018	2019
\$300-\$499	10,060	16,561	25,233
\$500-\$999	17,651	23,739	15,816
\$1,000-\$1,499	15,106	31,878	22,895
\$1,500-\$2,499	22,422	35,164	24,730
\$2,500-\$4,999	0	0	36,268
\$5,000-\$7,499	0	0	0
Total Loans	65,239	107,342	124,942

Table 23: Loans Made by Size Without Using Finder

	2017	2018	2019
\$300-\$499	14,496	17,509	18,717
\$500-\$999	63,226	91,751	95,118
\$1,000-\$1,499	43,670	38,040	31,843
\$1,500-\$2,499	44,224	44,900	46,094
\$2,500-\$4,999	0	0	3,207
\$5,000-\$7,499	0	0	2,582
Total Loans	165,616	192,200	197,561

Table 24: Borrowers Who Obtained More Than One Loan Using Finder

	2017	2018	2019
Borrowers Who Obtained 2 Loans	6,678	13,107	15,234
Borrowers Who Obtained 3 Loans	299	724	1,072
Borrowers Who Obtained 4 Loans	11	42	85
Total Borrowers Who Obtained More Than One Loan	6,988	13,873	16,391

Table 25: Borrowers Who Obtained More Than One Loan Without Using Finder

	2017	2018	2019
Borrowers Who Obtained 2 Loans	11,668	17,961	19,663
Borrowers Who Obtained 3 Loans	402	734	1,302
Borrowers Who Obtained 4 Loans	20	34	73
Total Borrowers Who Obtained More Than One Loan	12,090	18,729	21,038

Table 26: Credit Score Performance for Borrowers Who Obtained More Than One Loan Using Finder

	2017	2018	2019
Borrowers Who Obtained More Than One Loan	6,988	13,873	16,387
Borrowers with Credit Scores That Increased Over the Previous Loan	3,249	6,854	8,352
Borrowers Who Started With No Credit Score Before Obtaining Successive Loan	N/A	N/A	5,820
Borrowers with Increased Credit Scores	46%	49%	51%
Average Size of Increase (in points) in Credit Scores	340	224	184

Table 27: Credit Score Performance for Borrowers Who Obtained More Than One Loan Without Using Finder

	2017	2018	2019
Borrowers Who Obtained More Than One Loan	12,090	18,765	21,035
Borrowers with Credit Scores That Increased Over the Previous Loan	7,848	11,872	12,213
Borrowers Who Started With No Credit Score Before Obtaining Successive Loan	N/A	N/A	7,058
Borrowers with Increased Credit Scores	65%	63%	58%
Average Size of Increase (in points) in Credit Scores	276	276	253

Table 28: Loans by Income Distribution of Census Tract Using Finder*

	2017	2018	2019
Low-Income	5,924	9,660	22,120
Moderate-Income	4,465	6,636	54,131
Middle-Income	18,495	28,766	30,522
Upper-Income	18,059	28,159	16,799
Not Known	18,296	34,121	1,370
Total Loans	65,239	107,342	124,942

Table 29: Loans by Income Distribution of Census Tract Without Using Finder

	2017	2018	2019
Low-Income	30,335	33,969	31,360
Moderate-Income	74,799	82,352	83,237
Middle-Income	35,943	41,510	44,705
Upper-Income	8,640	10,764	12,236
Not Known	15,899	23,605	26,023
Total Loans	165,616	192,200	197,561

* "Low-income" census tract means median family income less than 50 percent of the median for the metropolitan area. "Moderate-income" census tract means median family income of 50 percent to 79 percent of the median for metropolitan area. "Middle-income" census tract means median family income of 80 percent to 119 percent of the median for the metropolitan area. "Upper-income" census tract means median family income of 120 percent or more of the median for the metropolitan area.

Table 30: Loans by Income Distribution Using Finders

	2017	2018	2019
Less than \$20,000	N/A	N/A	19,885
\$20,000 - \$44,999	N/A	N/A	83,235
\$45,000 - \$139,999	N/A	N/A	21,327
\$140,000 and Above	N/A	N/A	495
Total Loans	N/A	N/A	124,942

Table 31: Loans by Income Distribution Without Using Finders

	2017	2018	2019
Less than \$20,000	N/A	N/A	32,652
\$20,000 - \$44,999	N/A	N/A	126,309
\$45,000 - \$139,999	N/A	N/A	37,344
\$140,000 and Above	N/A	N/A	1,256
Total Loans	N/A	N/A	197,561

Table 32: Loans by Borrower's Use of Bank Account/Check Cashing Using Finder

	2017	2018	2019
Bank Account	50,889	85,579	99,143
No Bank Account	14,350	21,763	25,799
Borrowers With Bank Account Who Also Used Check-Cashing Services	11,690	20,270	19,554
Borrowers With Bank Account Who Also Used Payday Loan Services	3,029	2,831	2,752

Table 33: Loans by Borrower's Use of Bank Account/Check Cashing Without Using Finder

	2017	2018	2019
Bank Account	137,979	159,440	168,199
No Bank Account	27,637	32,627	29,362
Borrowers With Bank Account Who Also Used Check-Cashing Services	4,562	2,855	4,654
Borrowers With Bank Account Who Also Used Payday Loan Services	6,578	4,961	6,143

Table 34: Late Fees: Loans Using Finder

	2017	2018	2019
Loans with Late Fees	13,811	21,349	23,860
Total Loans	65,239	107,342	124,942
Loans with Late Fees	21%	20%	19%

Table 35: Late Fees: Loans Without Using Finder

	2017	2018	2019
Loans with Late Fees	40,286	54,352	55,456
Total Loans	165,616	192,200	197,561
Loans with Late Fees	24%	28%	28%

Table 36: Late Fees - Dollar Amount Data Using Finder

	2017	2018	2019
Total Amount of Late Fees	\$786,660	\$1,227,352	\$1,448,542
Total Principal Amount of Loans	\$76,510,324	\$136,199,421	\$213,669,100
Late Fees as a Percentage of Loan Principal	1.0%	0.9%	0.7%
Average Late Fees	\$14	\$14	\$14

Table 37: Late Fees - Dollar Amount Data Without Using Finder

	2017	2018	2019
Total Amount of Late Fees	\$2,503,009	\$3,723,483	\$3,799,164
Total Principal Amount of Loans	\$182,449,652	\$193,656,421	\$214,763,498
Late Fees as a Percentage of Loan Principal	1.4%	1.9%	1.8%
Average Late Fees	\$12	\$12	\$12

Table 38: Loans, by Purpose, Using Finder

	2017	2018	2019
Medical	1,508	2,334	2,580
Other Emergency	0	0	0
Vehicle Repair	4,772	6,932	6,536
Vehicle Purchase	3,868	5,027	5,853
To Pay Bills	19,482	33,623	32,803
To Consolidate Debt	3,741	3,777	3,359
To Build or Repair Credit	18,529	35,377	38,141
Purchase Goods or Services Other Than a Vehicle	882	4,560	327
For Other Than Personal, Family, or Household Purposes	1,638	2,758	4,155
Other	10,819	12,954	31,188

Table 39: Loans, by Purpose, Without Using Finder

	2017	2018	2019
Medical	3,430	4,204	5,447
Other Emergency	25,814	21,977	18,055
Vehicle Repair	8,424	11,315	11,268
Vehicle Purchase	8,993	11,302	9,216
To Pay Bills	34,620	37,772	37,553
To Consolidate Debt	10,881	14,360	15,799
To Build or Repair Credit	38,426	34,752	25,472
Purchase Goods or Services Other Than a Vehicle	11,436	26,658	50,783
For Other Than Personal, Family, or Household Purposes	3,342	2,031	276
Other	20,250	27,829	23,692

Table 40: Loans With at Least One Delinquency: Made by Size, Delinquency Period Using Finder: 7-29 Days

	2017		2018		2019	
\$300-\$499	1,059	11%	1,413	9%	2,399	10%
\$500-\$999	1,773	10%	2,706	11%	1,668	11%
\$1,000-\$1,499	1,444	10%	2,919	9%	2,300	10%
\$1,500-\$2,499	2,066	9%	2,471	7%	2,455	10%
\$2,500-\$4,999	0	0%	0	0%	2,862	8%
\$5,000-\$7,499	0	0%	0	0%	0	0%
Total Loans All Sizes	6,342		9,509		11,684	

Table 41: Loans With At Least One Delinquency: Made by Size, Delinquency Period Without Using Finder: 7-29 Days

	2017		2018		2019	
\$300-\$499	3,161	22%	3,002	17%	2,683	14%
\$500-\$999	11,387	18%	18,203	20%	18,346	19%
\$1,000-\$1,499	8,077	18%	7,497	20%	6,076	19%
\$1,500-\$2,499	10,953	25%	10,476	23%	10,351	22%
\$2,500-\$4,999	0	0%	0	0%	439	14%
\$5,000-\$7,499	0	0%	0	0%	386	15%
Total Loans All Sizes	33,578		39,178		38,281	

Table 42: Loans With at Least One Delinquency: Made by Size, Delinquency Period Using Finder: 30-59 Days

	2017		2018		2019	
\$300-\$499	371	4%	635	4%	1,086	4%
\$500-\$999	603	3%	983	4%	530	3%
\$1,000-\$1,499	406	3%	980	3%	776	3%
\$1,500-\$2,499	604	3%	715	2%	703	3%
\$2,500-\$4,999	0	0%	0	0%	896	2%
\$5,000-\$7,499	0	0%	0	0%	0	2%
Total Loans All Sizes	1,984		3,313		3,991	

Table 43: Loans With At Least One Delinquency: Made by Size, Delinquency Period Without Using Finder: 30-59 Days

	2017		2018		2019	
\$300-\$499	1,710	12%	1,595	9%	1,429	8%
\$500-\$999	4,952	8%	8,463	9%	8,352	9%
\$1,000-\$1,499	3,160	7%	3,084	8%	2,356	7%
\$1,500-\$2,499	3,679	8%	3,654	8%	3,484	8%
\$2,500-\$4,999	0	0%	0	0%	266	8%
\$5,000-\$7,499	0	0%	0	0%	248	10%
Total Loans All Sizes	13,501		16,796		16,135	

**Table 44: Loans With at Least One Delinquency: Made by Size,
Using Finder: 60 Days or More**

	2017		2018		2019	
\$300-\$499	1,341	13%	1,762	11%	3,050	12%
\$500-\$999	1,581	9%	2,504	11%	1,402	9%
\$1,000-\$1,499	776	5%	1,681	5%	1,523	7%
\$1,500-\$2,499	1,043	5%	1,289	4%	1,152	5%
\$2,500-\$4,999	0	0%	0	0%	1,537	4%
\$5,000-\$7,499	0	0%	0	0%	0	0%
Total Loans All Sizes	4,741		7,236		8,664	

**Table 45: Loans With At Least One Delinquency: Made by Size,
Without Using Finder: 60 Days or More**

	2017		2018		2019	
\$300-\$499	1,025	7%	750	4%	1,037	6%
\$500-\$999	2,661	4%	4,262	5%	4,553	5%
\$1,000-\$1,499	1,688	4%	1,435	4%	1,201	4%
\$1,500-\$2,499	1,812	4%	1,590	4%	1,760	4%
\$2,500-\$4,999	0	0%	0	0%	246	8%
\$5,000-\$7,499	0	0%	0	0%	197	8%
Total Loans All Sizes	7,186		8,037		9,003	

Table 46: Loans with at Least One Delinquency of 7 Days or More, Using Finder

	2017	2018	2019
Loans Delinquent 7 Days or More	13,067	20,058	24,339
Loans Not Subsequently Brought Current	8,014	11,219	13,842
Loans Not Subsequently Brought Current	61%	56%	57%
Average Number of Times Such Borrowers Delinquent 7 Days or More	1.6	1.6	1.6

Table 47: Loans with at Least One Delinquency of 7 Days or More, Without Using Finder

	2017	2018	2019
Loans Delinquent 7 Days or More	54,265	64,011	63,415
Loans Not Subsequently Brought Current	17,436	21,475	21,515
Loans Not Subsequently Brought Current	32%	34%	34%
Average Number of Times Such Borrowers Delinquent 7 Days or More	2	2.2	2.7

Table 48: Delinquency Comparison: Pilot Program Loans vs. Other CFL Loans: Year 2017

	Pilot Program Loans				CFL Loans	
	Using Finder		W/o Using Finder			
One Payment Past Due	6,342	10%	33,578	20%	15,223	5%
Two Payments Past Due	1,984	3%	13,501	8%	7,646	2%
Three or More Payments Past Due	4,741	7%	7,186	4%	19,394	6%

Table 49: Delinquency Comparison: Pilot Program Loans vs. Other CFL Loans: Year 2018

	Pilot Program Loans				CFL Loans	
	Using Finder		W/o Using Finder			
One Payment Past Due	9,509	9%	39,178	20%	20,119	5%
Two Payments Past Due	3,313	3%	16,796	9%	9,204	3%
Three or More Payments Past Due	7,236	7%	8,037	4%	24,728	7%

Table 50: Delinquency Comparison: Pilot Program Loans vs. Other CFL Loans: Year 2019

	Pilot Program Loans				CFL Loans	
	Using Finder		W/o Using Finder			
One Payment Past Due	11,684	12%	38,281	26%	19,841	4%
Two Payments Past Due	3,991	4%	16,135	11%	13,008	3%
Three or More Payments Past Due	8,664	9%	9,003	6%	39,681	8%

Table 51: Language in Which Loan Negotiated: Using Finder*

	2017	2018	2019
English	5,587	8,690	11,201
Spanish	59,652	98,652	113,741
Chinese	0	0	0
Tagalog	0	0	0
Vietnamese	0	0	0
Korean	0	0	0
Other	0	0	0

Table 52: Language in Which Loan Negotiated: Without Using Finder*

	2017	2018	2019
English	43,801	67,148	85,147
Spanish	121,815	125,052	112,414
Chinese	0	0	0
Tagalog	0	0	0
Vietnamese	0	0	0
Korean	0	0	0
Other	0	0	0

*When loan was negotiated in a language other than English, documents were provided in that language.

Table 53: Refinance Loans Using Finder

	2017	2018	2019
Borrowers Who Applied for Refinance Loan	0	0	11,198
Borrowers Who Applied for Refinance Loan	0%	0%	10%
Borrowers Who Obtained One or More Refinance Loans	0	0	9,422
Borrowers Who Obtained One or More Refinance Loans	0%	0%	9%
Total Principal Amount of Refinance Loans Made	\$0	\$0	\$21,857,500

Table 54: Refinance Loans Without Using Finder

	2017	2018	2019
Borrowers Who Applied for Refinance Loan	34,154	15,721	39,296
Borrowers Who Applied for Refinance Loan	7%	9%	22%
Borrowers Who Obtained One or More Refinance Loans	6,885	7,242	11,550
Borrowers Who Obtained One or More Refinance Loans	1%	4%	7%
Total Principal Amount of Refinance Loans Made	\$12,551,480	\$12,253,440	\$32,901,544

Table 55: Detail Of Refinance Loans Made Using Finder

	2017	2018	2019
Borrowers Who Refinanced Once	0	0	9,455
Borrowers Who Refinanced Once	0%	0%	9%
Borrowers Who Refinanced Twice	0	0	0
Borrowers Who Refinanced Twice	0%	0%	0%
Borrowers Who Refinanced More Than Twice	0	0	0
Borrowers Who Refinanced More Than Twice	0%	0%	0%

Table 56: Detail Of Refinance Loans Made Without Using Finder

	2017	2018	2019
Borrowers Who Refinanced Once	6,834	7,196	11,741
Borrowers Who Refinanced Once	1%	4%	7%
Borrowers Who Refinanced Twice	51	62	1,224
Borrowers Who Refinanced Twice	0.01%	0.04%	0.7%
Borrowers Who Refinanced More Than Twice	0	0	411
Borrowers Who Refinanced More Than Twice	0%	0%	0%

Table 57: Refinance Loans Using Finder: Pre-Refinance Principal Pay Down, Late Payments, Additional Principal Extended

	2017	2018	2019
Average Percentage of Principal Paid Down Before Obtaining Refinance Loan	0%	0%	24%
Average Number of Late Payments Made on Loan Refinanced	0%	0%	2.94
Average Amount of Additional Principal Extended on Refinance Loans	\$0	\$0	\$1,823

Table 58: Refinance Loans Without Using Finder: Pre-Refinance Principal Pay Down, Late Payments, Additional Principal Extended

	2017	2018	2019
Average Percentage of Principal Paid Down Before Obtaining Refinance Loan	69%	59%	49%
Average Number of Late Payments Made on Loan Refinanced	5.5	2.4	9.7
Average Amount of Additional Principal Extended on Refinance Loans	\$1,371	\$869	\$1,169

Table 59: Total Number of Finders by Finder Type

Type of Business Operated	2017	2018	2019
Check Cashiers	5	11	10
Money Transmitters	10	28	43
Others*	9	60	31
Payday Lenders and/or Finance Lenders	9	9	1

*"Others" include Tax Preparer, Insurance Agents, Variety Stores, and Other Service Providers.



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