



**STATE OF WASHINGTON**  
**DEPARTMENT OF FINANCIAL INSTITUTIONS**  
**DIVISION OF CONSUMER SERVICES**

P.O. Box 41200 • Olympia, Washington 98504-1200

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January 18, 2011

**TO:** Consumer Loan Licensees

**RE:** 2010 Annual Reporting, Assessment filing, and Bond Calculation due Tuesday, March 1, 2011

Dear Licensee:

Enclosed are blank copies of the following three required reports for Consumer Loan Act Licensees:

- 2010 Annual Assessment Report (AAR)
- 2010 Consolidated Annual Report (CAR)
- 2011 Bond Calculation Form for 2010 loan activity

**What if I did not do any business in Washington during the 2010 calendar year?**

Consumer Loan Licensees must file both the CAR and the AAR even if they did NO business in Washington State during 2010. Both the CAR and AAR must be filed, even if no annual assessment fee is due.

**What constitutes a complete and timely filing?**

DFI must receive the following required items on or before Tuesday, March 1, 2011:

- Completed 2010 AAR signed by executive of company and notarized
- Completed 2010 CAR signed by executive of company and notarized
- Check made payable to the "Washington State Treasurer," for entire amount of assessment fee due
- Supporting Loan Lists that are labeled, totaled, and formatted per the instructions
- Annual Bond Calculation Form and original Bond Rider

In addition to the items above, you must also file your 2010 financial statements via the NMLS no later than March 31, 2011. Financial statements must be prepared in accordance with GAAP and contain both a balance sheet and income statement.

**IMPORTANT INFORMATION YOU SHOULD KNOW!**

1. **NMLS Mortgage Call Report** -Starting the first quarter of 2011, you will be required to report your quarterly loan activity data for 2011 on the NMLS Mortgage Call Report. The Call Report must be submitted to the NMLS within 45 days of the end of each calendar quarter.
2. **Mortgage Servicing**- For Residential Mortgage Servicing, DFI will calculate the amount owed based on the volume of loans serviced and the proportionate cost to DFI for operating the program. After we receive your servicing information, DFI will calculate your portion of the cost of operating the program and send you a bill. You will receive your bill for the assessment owed by July 1, 2011. The assessment fee is due to DFI on or before August 31, 2011.

### **What if I fail to deliver my complete filing by the March 1, 2011, deadline?**

Assessment filings, including all the required items detailed above, received after Tuesday, March 1, 2011, will be assessed a late penalty of \$50 per report for each day of delay. For example, if you deliver both your CAR and AAR late, you will incur a late penalty of \$100 per day late. Please include a second payment check made payable to the "Washington State Treasurer" for the entire amount of the late penalty.

### **What transactions do I include on the Consumer Loan Act (CLA) annual assessment?**

The CLA annual assessment includes all mortgage and non-mortgage loans:

- Brokered or table funded by the Licensee, regardless of the interest rate, or lien position
- Made by the Licensee, regardless of the interest rate, or lien position
- Purchased by the Licensee
- Held in the Licensee's portfolio at calendar-year end
- Reverse Mortgages Made
- Advances on Reverse Mortgages
- Accrued Interest on Reverse Mortgages
- Principal Amount of Mortgages Serviced

### **How must I deliver my loan lists and other supporting documentation?**

You must take adequate steps to ensure secure transmission of your supporting documentation by:

- Removing all non-public and sensitive borrower information
- Encrypting electronic records

\*DFI uses ZixMail for secure email transmissions. Please Contact Amanda Harvey at [Amanda.Harvey@dfi.wa.gov](mailto:Amanda.Harvey@dfi.wa.gov) to arrange for a secure email communication.

### **How must I format my loan lists?**

Deliver loan lists in an electronic format compatible with Microsoft Excel. Label each supporting loan list with the specific AAR or CAR line item(s) it supports. Generally, each supporting loan list should include the following ten data fields:

1. Loan or Account Number
2. Principal Loan Amount
3. Brokered/Table Funded/Funded/Purchased Date
4. Note Interest Rate
5. Lien Position (mortgage loans)
6. Type of collateral (real estate, personal property, unsecured, etc)
7. Principal Loan Amount at payoff/sale/end-of-year date, when applicable for portfolio loans
8. Payoff/Sale Date of portfolio loans
9. Total Number of Accounts
10. Total Dollar Volume of Accounts

#### Servicing Loan List

1. Principal Loan Amount
2. Owner of Loan
3. Date Loan was Boarded on System
4. Property Address
5. Type of Loan (fixed, variable)
6. Interest Rate
7. Total Number of Accounts
8. Total Dollar Volume of Accounts

**What if I received this packet and am not the proper contact person to complete this request?**

- Immediately forward the packet to those responsible for annual assessment reporting
- Notify DFI in writing to update the compliance contact person on record [dcs@dfi.wa.gov](mailto:dcs@dfi.wa.gov)

**Where do I deliver my completed 2010 Consumer Loan Annual Assessment Report and Consolidated Annual Report?**

Mail your completed report to one of the following addresses:

Via US Postal Service:

Department of Financial Institutions  
Division of Consumer Services  
PO BOX 41200  
Olympia, WA 98504-1200

Via Other Couriers:

Department of Financial Institutions  
Division of Consumer Services  
150 Israel RD SW  
Tumwater, WA 98501

Thank you for responding promptly. If you have questions or need assistance, please contact:

Amanda Harvey, Assistant to Examination Chief  
Phone: 360-902-8817  
Email: [amanda.harvey@dfi.wa.gov](mailto:amanda.harvey@dfi.wa.gov)

Enclosures: Blank AAR  
Blank CAR  
Blank Bond Calculator

## 2010 WASHINGTON STATE CONSUMER LOAN ANNUAL ASSESSMENT REPORT (AAR)

Name of company as licensed in Washington: \_\_\_\_\_

Main Office Address: \_\_\_\_\_

WA File Number: 520-CL- XXXXX Number of locations holding WA licenses during 2010: \_\_\_\_\_

**Report Due to DFI: March 1, 2011      Annual Report for Business conducted through December 31, 2010**

**A complete filing includes the following:**

DFI must receive the following required items on or before Tuesday, March 1, 2011:

- Completed 2010 AAR signed by executive of company and notarized
- Completed 2010 CAR signed by executive of company and notarized
- Check made payable to the "Washington State Treasurer," for entire amount of assessment fee due
- Supporting Loan Lists that are labeled, totaled, and formatted per the instructions

In addition, you must also file GAAP financial statements via the NMLS no later than March 31, 2011

<b>2010 WASHINGTON STATE CONSUMER LOAN ACTIVITY (ANSWER EVERY QUESTION OR WRITE IN "NONE")</b>	<b>Number of Loans</b>	<b>Dollar Volume</b>	<b>Number of Loans</b>	<b>Dollar Volume</b>
<b>LOAN ACTIVITY: ASSESSMENT</b>	<b>MORTGAGE (Include Reverse Mortgages)</b>	<b>MORTGAGE (Include Reverse Mortgages)</b>	<b>NON-MORTGAGE</b>	<b>NON-MORTGAGE</b>
Last year you reported on line <b>1 of the CAR</b> as of December 31, 2009:  *If this number and dollar volume are correct, enter the amounts on line 1 of AAR. If it is incorrect, attach an explanation of the difference and enter the corrected amount on line 1 of AAR.			<b>N/A</b>	<b>N/A</b>
Last year you reported on line <b>2 of the CAR</b> as of December 31, 2009:  *If this number and dollar volume are correct, enter the amounts on line 1 AAR. If it is incorrect, attach an explanation of the difference and enter the corrected amount on line 1 of AAR.	<b>N/A</b>	<b>N/A</b>		
<b>1</b> Enter the total principal balance of WA loans in the Licensee's portfolio at the prior-year end <b>December 31, 2009</b> .				
<b>2a</b> Enter the total principal amount of all WA loans brokered and table funded (On Reverse Mortgages only report advances made and accrued interest) by the Licensee <b>during 2010</b> .				

<b>2010 WASHINGTON STATE CONSUMER LOAN ACTIVITY (ANSWER EVERY QUESTION OR WRITE IN "NONE")</b>		<b>Number of Loans</b>	<b>Dollar Volume</b>	<b>Number of Loans</b>	<b>Dollar Volume</b>
<b>LOAN ACTIVITY: ASSESSMENT</b>		<b>MORTGAGE (Include Reverse Mortgages)</b>	<b>MORTGAGE (Include Reverse Mortgages)</b>	<b>NON-MORTGAGE</b>	<b>NON-MORTGAGE</b>
<b>2b</b>	Enter the total principal amount of all WA loans the Licensee made (On Reverse Mortgages only report advances made and accrued interest) during <b>2010</b> . (Do not include canceled loans that did not fund).				
<b>2c</b>	Enter the total principal amount of all WA loans the Licensee purchased (On Reverse Mortgages report purchased amount, advances made and accrued interest) <b>during 2010</b> . Include Secondary Market transactions.				
<b>2d</b>	Subtotal: <b>Add lines 1 through 2c. Enter total mortgage dollar volume on line 3, Enter total non-mortgage dollar volume on line 4.</b>				
<b>ASSESSMENT FEE CALCULATION</b>				<b>Dollar Volume</b>	
<b>3</b>	Enter the total <b>mortgage dollar volume</b> from 2d here.				
<b>4</b>	Enter the total <b>non-mortgage dollar volume</b> from 2d here.				
<b>5</b>	Adjusted total loan volume: Add lines 3 and 4.				
<b>6</b>	Assessment fee: multiply line 5 by .000180271 (round to the nearest cent) enter the result here. <b>Pay this amount. Make checks payable to the "Washington State Treasurer."</b>				

**2010 WASHINGTON STATE CONSUMER LOAN CONSOLIDATED ANNUAL REPORT (CAR)**

Name of company as licensed in Washington:

**Report Due:** March 1, 2011

**Assessment for Business** conducted through December 31, 2010

<b>2010 WASHINGTON STATE CONSUMER LOAN ACTIVITY (ANSWER EVERY QUESTION OR WRITE IN "NONE")</b>		<b>Number of Loans</b>	<b>Dollar Volume</b>
<b>1</b>	Enter the total principal balance of WA mortgage loans in the licensee's portfolio at year-end <b>December 31, 2010</b> .		
<b>2</b>	Enter the total principal balance of WA non-mortgage loans in the Licensee's portfolio at year end <b>December 31, 2010</b> .		
<b>3</b>	For all loans that you own, enter the following information as of <b>December 31, 2010</b> :		
	3a. Interest Only Adjustable Rate Mortgages (ARMs)		
	3b. Payment Option ARMs		
	3c. Other first lien loans that permit negative amortization		
	3d. Introductory rate loans (Loans with: low initial payments based on a fixed introductory or "teaser" rate)		
	3e. Balloon Payment Loans		
<b>4</b>	Enter the dollar amount of reverse mortgage loans (including advances).		
<b>5</b>	Enter the dollar amount of accrued interest earned on reverse mortgage loans.		

<b>2010 WASHINGTON STATE RESIDENTIAL MORTGAGE LOAN SERVICING ACTIVITY (ANSWER EVERY QUESTION OR WRITE IN "NONE")</b>		<b>Number of Loans</b>	<b>Dollar Volume</b>
<b>6</b>	Enter the total principal balance of WA residential mortgage loans serviced <b>during 2010</b> .		
<b>7</b>	Washington mortgage loans contractually delinquent 60 days or more <b>at the end of 2010</b> .		
<b>8</b>	Washington mortgage loans that foreclosed <b>during 2010</b> .		
<b>9</b>	Washington mortgage loans modified under HAMP loan modifications <b>during 2010</b> .		
<b>10</b>	Washington mortgage loans modified under other loan modifications <b>during 2010</b> .		

## 2010 WASHINGTON STATE CONSUMER LOAN BOND CALCULATION

**A complete filing includes the following:**

- Completed Bond Calculation Form
- Original Bond Rider (if changing your current bond amount)

**What is the amount of the bond required for my consumer loan license?**

The bond amount is based on the annual dollar amount of loans you originate (loan origination amount). See the following chart:

- |  |           |
|--|-----------|
| 1. Zero to twenty million in loans originated: | \$30,000  |
| 2. Twenty million to forty million:            | \$50,000  |
| 3. Forty million to fifty million:             | \$100,000 |
| 4. Fifty million and above:                    | \$150,000 |

<b>LOAN ACTIVITY BOND CALCULATION</b>		
<b>1</b>	Enter the total principal amount of all <b>WA mortgage loans</b> brokered and table funded by the Licensee <b>during 2010</b> from AAR 2a.	
<b>2</b>	Enter the total principal amount of all <b>WA mortgage loans</b> the Licensee made <b>during 2010</b> from AAR 2b.	
<b>3</b>	Enter the total principal amount of all <b>WA non-mortgage loans</b> brokered and table funded by the Licensee <b>during 2010</b> from AAR 2a.	
<b>4</b>	Enter the total principal amount of all <b>WA non-mortgage loans</b> the Licensee made <b>during 2010</b> from AAR 2b.	
<b>5</b>	Subtotal: Add <b>lines 1 - 4</b> . This is your 2010 loan origination amount.	
<b>BOND AMOUNT CALCULATION</b>		<b>Bond Amount</b>
<b>6</b>	Enter the bond amount that corresponds to your loan origination amount from the chart above.	

<b>LOAN MODIFICATION BOND CALCULATION: BOND AMOUNT IS \$30,000.00</b>
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**What is the amount of the bond required if I only Service Residential Mortgage Loans?**

The bond amount is based on the annual dollar amount of residential mortgage loans serviced. See the following chart:

- |   |          |
|---|----------|
| 1. Zero to fifty million in loan principal: | \$30,000 |
| 2. Fifty million and above:                 | \$50,000 |

<b>LOAN SERVICING BOND CALCULATION</b>		
<b>1</b>	Enter the dollar amount of the residential mortgage loans serviced <b>during 2010</b> from CAR line 6.	
<b>BOND AMOUNT CALCULATION</b>		<b>Bond Amount</b>
<b>2</b>	Enter your bond amount based on the total annual volume of WA mortgage loans serviced from the chart above.	

**AFFIDAVIT FOR 2010 CONSUMER LOAN ANNUAL ASSESSMENT REPORT, CONSOLIDATED ANNUAL REPORT, AND BOND CALCULATION**

(Please print clearly)

**AFFIDAVIT OF PREPARER:**

I hereby certify and swear (or affirm) under penalty of perjury that I have examined the information contained in this Annual Assessment Report (AAR), Consolidated Annual Report (CAR), Bond Calculation, and attached supporting documentation (including any accompanying schedules and statements – if any), and the reported information is correct and complete in accordance with the law, and further acknowledge that there are no misrepresentations or omissions of material facts.

Prepared By: \_\_\_\_\_  
*Signature* *Date*

\_\_\_\_\_  
*Typed or printed name of preparer* *Title*

Phone: \_\_\_\_\_ Ext: \_\_\_\_\_ Fax: \_\_\_\_\_ E-mail: \_\_\_\_\_

**AFFIDAVIT OF COMPANY OFFICIAL:**

I, \_\_\_\_\_ the undersigned being the \_\_\_\_\_  
*Type or Print Name of Company Official* *Title of Company Official*

of \_\_\_\_\_, a Washington licensed Consumer Loan Company,  
*Print Company Name as Licensed*

hereby certify and swear (or affirm) under penalty of perjury that I have examined the information contained in this Annual Assessment Report (AAR), Consolidated Annual Report (CAR), Bond Calculation, and attached supporting documentation (including any accompanying schedules and statements – if any), and the reported information is correct and complete in accordance with the law, and further acknowledge that there are no misrepresentations or omissions of material facts.

\_\_\_\_\_  
*Signature of Company Official*

**NOTARY:**

Signed and sworn before me this \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_ and

I hereby certify that I am not an officer or director of this company. \_\_\_\_\_  
*Signature of Notary Public*

notary seal here

Notary Public in and for the:  
State of \_\_\_\_\_  
County of \_\_\_\_\_  
My appointment expires: \_\_\_\_\_