



STATE OF WASHINGTON
DEPARTMENT OF FINANCIAL INSTITUTIONS
DIVISION OF CONSUMER SERVICES

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

Telephone (360) 902-8703 • TDD (360) 664-8126 • FAX (360) 664-2258 • www.dfi.wa.gov

December 31, 2007

TO: Consumer Loan Licensees

RE: 2007 Annual Reporting and Assessment filing due March 3, 2008

Dear Licensee:

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

1. [Annual Assessment Report \(AAR\)](#)
2. [Consolidated Annual Report \(CAR\)](#)

What if I did not do any business in Washington during the 2007 calendar year?

Each Consumer Loan Licensee must submit the CAR and AAR even if the company did not do business in Washington State during the reporting period. Both the CAR and AAR must be returned, even if no annual assessment fee is due.

What constitutes a complete and timely filing?

DFI must receive the following required items by close of business Monday, March 3, 2008 (Since March 1, 2008, is a Saturday):

- Completed 2007 AAR that is signed by executive of company and notarized
- Completed 2007 CAR that is signed by executive of company and notarized
- Payment 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 section below
- GAAP financial statements: Balance Sheet and Income Statement for the calendar or fiscal-year end
- For late filers: Include a second payment check made payable to the "Washington State Treasurer" for entire amount of late penalty.¹

What transactions do I include on the Consumer Loan Act (CLA) annual assessment?²

- All mortgage and non-mortgage loans brokered by the Licensee, regardless of the interest rate, or lien position
- All mortgage and non-mortgage loans made by the Licensee, regardless of the interest rate, or lien position
- All mortgage and non-mortgage loans purchased by the Licensee
- All mortgage and non-mortgage loans held in the Licensee's portfolio at calendar or fiscal-year end

How should I transmit supporting loan lists and other sensitive data?

- Supporting loan lists must be in electronic format using Microsoft Excel software
- Remove all non-public and sensitive borrower information from supporting loan lists prior to submitting
- Encrypt attachments before submitting via electronic format (this includes email), or via CD
- Password-protect files
- DFI uses ZixMail and ZipGenius encryption platforms: http://dfi.wa.gov/industry/data_secure.htm
- Label each supporting loan list with the specific AAR or CAR line item(s) it supports. Generally, each supporting loan list should include:
 - Loan/Account #
 - Funded Amount
 - Brokered/Funded/Purchased Date
 - APR/Interest Rate
 - Lien Position (mortgage loans)
 - Type of collateral (real estate, personal property, etc)
 - Principal Loan Amount at payoff/sale/end-of-year date, when applicable
 - Payoff/Sale Date
 - Total Number of Accounts
 - Total Dollar Volume of Accounts

¹Per WAC 208-620-430, Assessment filings received after Monday, March 2, 2008, and any assessment filings received that are materially incomplete (missing or materially deficient CAR, AAR, fees), will be assessed a late penalty of \$100 per calendar day that the reports are delayed, or until such time materials have been received that make the filing materially complete.

²CLA.IS-02-07

RE: 2007 Annual Reporting and Assessment filing due March 3, 2008, Page 2

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

- Immediately forward the mailing to those responsible for annual assessment reporting
- If needed, notify DFI in writing when the compliance contact person on record needs to be updated: dc@dfi.wa.gov

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

Julie Vanderslice, CRCM, CAMS
Financial Examiner Supervisor
Phone: 360-902-8803
Email: jvanderslice@dfi.wa.gov

Enclosures: Blank CAR, AAR

Consumer Loan Act Interpretive Statement, CLA.IS-02-07



CLA Interpretive
Statement IS-02-07

STATUTES AND RULES RELIED UPON: Chapter 31.04 RCW and Chapter 208-620 WAC.

INTERPRETIVE STATEMENTS RELIED UPON: CLA.IS-02-07

2007 WASHINGTON STATE CONSUMER LOAN ANNUAL ASSESSMENT REPORT (AAR), Page 1 of 2

Name of company as licensed in Washington: _____

Main Office Address: _____

WA File Number: _____ Number of locations holding WA licenses during 2007: _____

Report Due to DFI: March 3, 2008 **Annual Report for Business conducted through December 31, 2007**

A penalty of \$100.00 per day will be assessed if received by DFI after March 3 , 2008

Reports must be filed even if you did NO business in Washington State during 2007

Attachments: Send one packet. A complete filing includes the following:

- Annual Assessment Report (AAR), even if no fees are owed, signed and notarized
- Consolidated Annual Report (CAR), even if no fees are owed, signed and notarized
- Supporting list(s) of Washington loans (one for each AAR and CAR line item response that is not zero). These lists must be in electronic format using Microsoft Excel software
- Year-end financial statements prepared according to Generally Accepted Accounting Principles (GAAP); Balance Sheet and Income Statement, send audited if available: must send audited if Licensee is using net worth in lieu of surety bond
- Payment check, if any (make check payable to the “Washington State Treasurer”)

2007 WASHINGTON STATE CONSUMER LOAN ACTIVITY (ANSWER EVERY QUESTION OR WRITE IN “NONE”) Report All Loans Brokered, Made, And Purchased: Regardless Of Interest Rate Or Lien Position		Number of Loans	Dollar Volume
MORTGAGE ACTIVITY: ASSESSMENT			
1	Enter the total principal loan balance of WA mortgage loans in the Licensee’s portfolio at the prior-year end December 31, 2006 .		
2a	Enter the total principal loan amount of all WA mortgage loans brokered by the Licensee during 2007 .		
2b	Enter the total principal loan amount of all WA mortgage loans the Licensee made during 2007 . (Do not include canceled loans that did not fund)		
2c	Enter the total principal loan amount of all WA mortgage loans the Licensee purchased during 2007 . Include Table-Funded and Secondary Market transactions.		
2d	Subtotal: Add lines 1 through 2c. Enter this amount on line 5 on the next page.		

NON-MORTGAGE ACTIVITY: ASSESSMENT			
3	Enter the total principal loan balance of WA non-mortgage loans in the Licensee's portfolio at year end December 31, 2006 .		
4a	Enter the total principal loan amount of all WA non-mortgage loans brokered by the Licensee during 2007 . (This is a rare activity in the industry)		
4b	Enter the total principal loan amount of all WA non-mortgage loans the Licensee made during 2007 . (Do not include canceled loans)		
4c	Enter the total principal loan amount of all WA non-mortgage loans the Licensee purchased during 2007 . Include Table-Funded and Secondary Market transactions.		
4d	Subtotal: Add lines 3 through 4c . Enter this amount on line 6 below .		
ASSESSMENT FEE CALCULATION			Dollar Volume
5	Enter the total dollar volume from 2d here.		
6	Enter the total dollar volume from 4d here.		
7	Adjusted total loan value: Add lines 5 and 6.		
8	Assessment fee: multiply line 7 by .000180271 (round to the nearest cent) enter the result here. Pay this amount. Make checks payable to the "Washington State Treasurer."		

2007 WASHINGTON STATE CONSUMER LOAN COMPANY CONSOLIDATED ANNUAL REPORT (CAR), Page 1 of 4

Name of company as licensed in Washington: _____

Report Due: March 2, 2008

Assessment for Business conducted through December 31, 2007

A penalty of \$100.00 per day will be assessed if received by DFI after March 1, 2008.

Reports must be filed even if you did NO business in Washington State during 2007.

2007 WASHINGTON STATE CONSUMER LOAN ACTIVITY (ANSWER EVERY QUESTION OR WRITE IN "NONE") Report All Loans Brokered, Made, And Purchased: Regardless Of Interest Rate Or Lien Position		Number of Loans	Dollar Volume
MORTGAGE ACTIVITY: INFORMATIONAL			
1a	Enter the total principal loan balance of WA mortgage loans in the Licensee's portfolio at year end December 31, 2007 .		
1b	Enter the total principal loan amount of WA mortgage loans sold in 2007 with servicing released.		
1c	Enter the total principal loan amount of WA mortgage loans sold in 2007 with servicing retained.		
1d	Enter the total principal loan amount for WA mortgage loans you service but have never owned as of December 31, 2007 .		
1e	Enter the total principal loan amount of WA mortgage loans that foreclosed during 2007 .		
1f	Enter the total principal loan amount of WA mortgage loans in foreclosure on December 31, 2007 . (Not already recorded in line item 1e above)		
1g	Enter the total principal loan amount of WA mortgage loans charged against reserve for loan losses as a result of foreclosures during 2007 .		
1h	Enter the total principal loan amount of WA mortgage loans contractually delinquent 30 days or more at the end of 2007 .		

MORTGAGE ACTIVITY: INFORMATIONAL, CONTINUED		
1i	For any loans that you service, but do not own, enter the following information as of December 31, 2007 :	
	Interest Only Adjustable Rate Mortgages (ARMs)	
	Payment Option ARMs	
	Other first lien loans that permit negative amortization	
	Introductory rate loans (Introductory rate loans: low initial payments based on a fixed introductory or "teaser" rate that expires after a short initial period then adjusts to a variable index rate plus a margin for the remaining term of the loan.)	
	Extended Term Loan (Extended term loans are any adjustable rate or fixed rate product marketed to subprime borrowers with amortization period longer than the term of the loan, such as to require the payment of a balloon amount at the end of the loan term.)	
	Loans with adjustable rates that will experience rate resets in:	
	1 st Quarter 2008	
	2 nd Quarter 2008	
	3 rd Quarter 2008	
	4 th Quarter 2008	
	1 st Quarter 2009	
	2 nd Quarter 2009	
	3 rd Quarter 2009	
	4 th Quarter 2009	
	1 st Quarter 2010	
	2 nd Quarter 2010	
	3 rd Quarter 2010	
4 th Quarter 2010		
1j	Loans in the Licensee's portfolio, enter the following information as of December 31, 2007 :	
	Interest Only Adjustable Rate Mortgages (ARMs)	
	Payment Option ARMs	
	Other first lien loans that permit negative amortization	
	Introductory rate loans (Introductory rate loans: low initial payments based on a fixed introductory or "teaser" rate that expires after a short initial period then adjusts to a variable index rate plus a margin for the remaining term of the loan.)	

MORTGAGE ACTIVITY: INFORMATIONAL, CONTINUED				
1j	Extended Term Loan (Extended term loans are any adjustable rate or fixed rate product marketed to subprime borrowers with amortization period longer than the term of the loan, such as to require the payment of a balloon amount at the end of the loan term.)			
	Loans with adjustable rates that will experience rate resets in:			
	1 st Quarter 2008			
	2 nd Quarter 2008			
	3 rd Quarter 2008			
	4 th Quarter 2008			
	1 st Quarter 2009			
	2 nd Quarter 2009			
	3 rd Quarter 2009			
	4 th Quarter 2009			
	1 st Quarter 2010			
	2 nd Quarter 2010			
	3 rd Quarter 2010			
	4 th Quarter 2010			
NON-MORTGAGE ACTIVITY: INFORMATIONAL			Number of Loans	Dollar Volume
2a	Enter the total principal loan balance of WA non-mortgage loans in the Licensee's portfolio at year end December 31, 2007 .			
2b	Enter the total principal loan amount of WA non-mortgage loans that defaulted during 2007 .			
2c	Enter the total principal loan amount of WA non-mortgage loans in default on December 31, 2007 . (Not already recorded in line item 2b above)			
2d	Enter the total principal loan amount of WA non-mortgage loans charged against reserve for loan losses as a result of default during 2007 .			
2e	Enter the total principal loan amount of WA non-mortgage loans contractually delinquent 30 days or more at end of 2007 .			

AFFIDAVIT FOR 2007 CONSUMER LOAN COMPANY ANNUAL ASSESSMENT REPORT (CAR)

(Please print neatly)

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), 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 Representative

Title of Company Representative

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), 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 Representative

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 Public in and for the:

notary seal here

State of _____

County of _____

My appointment expires: _____