

Master File # _____

Company Name: _____

Home Office Address: _____
(Street)

(City, State, Zip)



2011 Regulated Lender Annual Report

Annual Report Cover Page

- Indicate licensee's method of accounting.
 Cash Accrual Other: _____
- This report is for:
 Single License—License No. _____

 Multiple Licenses—# of Licenses: _____
(Attach a list of all licenses if you are submitting an annual report form that has not been barcoded with your licensing information.)
- Does the licensee participate in any way in writing or procuring insurance in connection with regulated loans?
 No Yes—Complete Schedule G, Credit Insurance Sales.
- Has there been any significant (5% or more) change in ownership, management, or form of organization during the report year?
 No Yes—If not previously reported to this agency, attach an explanation.
- Indicate all applicable types of business transacted, serviced, or brokered by licensee.
 - Home Loans**
 - Purchase money—secondary lien Refinance with no cash out Home equity—first lien
 - Home improvement Home equity—secondary lien First mortgage
 - Consumer Loans**
 - Secured consumer installment loans under Chapter 342, Subchapter E
 - Small loans under Chapter 342, Subchapter F
 - Payday loans under Chapter 342, Subchapter F
 - Extensions of Credit**
 - Retail installment sales under Chapter 345 Manufactured housing financing under Chapter 347
 - Revolving accounts under Chapter 346 Motor vehicle retail installment contracts under Chapter 348
 - Other**
 - Pawn transactions under Chapter 371 Insurance Sales (non-credit insurance)
 - Other: _____
- Is any business transacted by someone other than the licensee in the licensed location(s)?
 No Yes—Indicate type of business: _____
- Please report the number of offices and states in which doing business.
Licensee: No. of offices _____ in _____ states. **Affiliates:** No. of offices _____ in _____ states.
- During the report year, has the licensee or any affiliate had a license denied, suspended or revoked?
 No Yes—Attach a complete explanation.
- During the report year, has the licensee, any affiliate, or any agent thereof made a financial settlement with any person as a result of any claim relating to any extension of credit or collection activity?
 No Yes—Attach a report to explain any settlement in excess of \$5,000.
- During the report year, has the licensee, any affiliate, or any agent thereof been subject to binding arbitration with relation to any loan, extension of credit, or collection activity?
 No Yes—Attach a report detailing any Texas-based settlement or claims paid.

Who in your office can the OCCC contact regarding this report?

Name

Title

Mailing Address

City, State, Zip

Phone

Fax number



2011 Regulated Lender Annual Report

False or materially incomplete answers are grounds for revocation or suspension of license.

Licensee's Statement of Verification

The undersigned hereby swears (or affirms) that all statements made in this report or any attachment hereto are true, correct, and complete.

WARNING: *The Texas Penal Code, Section 37.10, provides that a false entry in this form is a third degree felony offense punishable by not more than ten (10) years in prison or not more than one (1) year in a community correctional facility. In addition to imprisonment, a fine of up to \$10,000 may also be imposed.*

Signature

Printed Name

Title

Date

SCHEDULE A: Balance Sheet

Assets (Figures are company-wide)

1. Cash (company-wide)	_____
2. Regulated loans receivable for Chapter 342.E transactions in Texas	_____
3. Regulated loans receivable for Chapter 342.F transactions in Texas.....	_____
4. Regulated loans receivable for Chapter 342.G transactions in Texas.....	_____
5. Motor vehicle retail installment accounts receivable for Chapter 348 transactions in Texas.....	_____
6. Other mortgage loans receivable, including home equity (company-wide).....	_____
7. Other loans receivable (company-wide)	_____
8. Other business assets (company-wide)	_____
9. Total Assets	_____

Liabilities and Owner's Equity (Figures are company-wide)

10. Warehouse line of credit/borrowed funds for lending (company-wide)	_____
11. Other liabilities (company-wide)	_____
12. Total Liabilities.....	_____
13. Owner's equity (company-wide).....	_____
14. Total Liabilities and Owner's Equity	_____

If the equity does not equal or exceed the net assets requirement and the business is a:

- **Proprietorship or general partnership:** attach owner's personal financial statement(s) to demonstrate adequate net assets.
- **Corporation:** if a more current corporate financial statement shows adequate net assets, attach that report and explain any variances between that statement and Schedule A.

Net assets requirement is \$25,000 per license—whether active or inactive—issued after October 1, 1967 (\$15,000 if issued to the current license holder prior to that date).

SCHEDULE B: Statement of Income and Expenses

Income (Figures are company-wide)

1. Interest earned on Chapter 342.E loans in Texas	_____
2. Acquisition and installment account handling charges earned on Chapter 342.F loans in Texas	_____
3. Regulated loan income from Chapter 342.G & Home Equity loans in Texas.....	_____
4. Motor vehicle time price differential from Chapter 348 transactions in Texas	_____
5. Other business income	_____
6. Total Income	_____

Expenses (Figures are company-wide)

7. Bad debts incurred in connection with Texas regulated loan activity	_____
8. Salaries incurred in connection with Texas regulated loan activity	_____
9. Interest incurred in connection with Texas regulated loan activity	_____
10. Other expenses incurred in connection with Texas regulated loan activity	_____
11. Other business expense (company-wide).....	_____
12. Total Expenses	_____
13. Net income before taxes (company-wide)	_____
14. Federal income taxes (company-wide)	_____
15. Net Income (Loss).....	_____

SCHEDULE C: Loans Receivable Balances (Net of Unearned Charges)



	No. of loans receivable	Amount loaned
1. Consumer installment loans (Chapter 342.E)	_____	\$ _____
2. Small loans (Chapter 342.F)	_____	\$ _____
3. Payday loans (Chapter 342.F).....	_____	\$ _____
4. Home equity loans (secondary mortgage).....	_____	\$ _____
5. Home equity loans (first lien mortgage).....	_____	\$ _____
6. Home improvement or purchase money loans (secondary mortgage, Chapter 342.G)	_____	\$ _____
7. Other mortgage loans	_____	\$ _____
8. Revolving credit, open end/triparty accounts (Chapter 346).....	_____	\$ _____
9. Motor vehicle retail installment accounts (Chapter 348)	_____	\$ _____
10. Total.....	_____	\$ _____

SCHEDULE D: Loans Made (Net of Interest or Other Finance Charges)



	No. of loans made	Amount loaned
1. Consumer installment loans (Chapter 342.E)	_____	\$ _____
2. Small loans (Chapter 342.F)	_____	\$ _____
3. Payday loans (Chapter 342.F).....	_____	\$ _____
4. Home equity loans (secondary mortgage).....	_____	\$ _____
5. Home equity loans (first lien mortgage).....	_____	\$ _____
6. Home improvement or purchase money loans (secondary mortgage, Chapter 342.G)	_____	\$ _____
7. Other mortgage loans	_____	\$ _____
8. Revolving credit, open end/triparty accounts (Chapter 346).....	_____	\$ _____
9. Motor vehicle retail installment accounts (Chapter 348)	_____	\$ _____
10. Total.....	_____	\$ _____
11. Percentage of loans retained	_____ %	

SCHEDULE E: Brokered Loans

(Net of Interest or Other Finance Charges)
Attach list of companies (see instructions)



	No. of loans brokered	Amount brokered
Mortgage Loans		
1. Home equity loans (secondary mortgage).....	_____	\$ _____
2. Home equity loans (first lien mortgage).....	_____	\$ _____
3. Home improvement or purchase money loans (secondary mortgage, Chapter 342.G)	_____	\$ _____
4. Other mortgage loans	_____	\$ _____
Consumer Loans		
5. Payday loans (Chapter 342.F).....	_____	\$ _____
6. Other loans	_____	\$ _____
7. Total	_____	\$ _____

SCHEDULE F: Delinquency and Collections



	Home Equity Loans		Other Regulated Loans	
	Number	Amount	Number	Amount
1. 60-89-day accounts	_____	\$ _____	_____	\$ _____
2. 90-day accounts	_____	\$ _____	_____	\$ _____
3. Repossession of collateral.....	_____	\$ _____	_____	\$ _____
4. Proceeds from sales of collateral.....	_____	\$ _____	_____	\$ _____
5. Suits filed	_____	\$ _____	_____	\$ _____

SCHEDULE G: Credit Insurance Sales



	Non-filing insurance	Involuntary unemployment
1. Number of policies sold	_____	_____
2. Percentage of eligible loans covered.....	_____ %	_____ %
3. Net premiums.....	\$ _____	\$ _____
4. Number of paid claims	_____	_____
5. Amount of claims paid.....	\$ _____	\$ _____
6. Net insurance income/retained premium.....	\$ _____	\$ _____

	Credit life	Credit A&H	Property
1. Number of policies sold	_____	_____	_____
2. Percentage of eligible loans covered.....	_____ %	_____ %	_____ %
3. Net premiums.....	\$ _____	\$ _____	\$ _____
4. Number of claims paid.....	_____	_____	_____
5. Amount of claims paid.....	\$ _____	\$ _____	\$ _____
6. Net insurance income/retained premium.....	\$ _____	\$ _____	\$ _____

SCHEDULE H: Ancillary Products



	Non-credit insurance*	Motor club memberships	Thrift club memberships	Miscellaneous*
1. Number sold.....	_____	_____	_____	_____
2. Net premiums.....	\$ _____	\$ _____	\$ _____	\$ _____
3. Number of claims paid.....	_____	_____	_____	_____
4. Amount of claims paid.....	\$ _____	\$ _____	\$ _____	\$ _____

*Please identify type of non-credit insurance or other miscellaneous products sold. If there is more than one kind, please list and report separately.

SCHEDULE I: Escheat Account



1. Funds remitted to State of Texas.....	\$ _____
2. Escheat account balance, end of year.....	\$ _____

2011 Regulated Loan Annual Report

This report is due to the OCCC on May 1, 2012.

As the holder of a regulated loan license during 2011, the person or company named on the enclosed annual report cover page must file an annual report. **All licensees, including inactive licensees, must complete all applicable schedules for business activities in calendar year 2011 (January 1-December 31).**

Essential Guidelines

- The Report must be done on our forms. A financial statement will not substitute.
- Neatly type your responses and complete all schedules. If a schedule is not applicable to your report, please mark it with "Not Applicable" or "N/A." Incomplete or incorrect reports will be returned for correction.
- Visit our Web site after February 1, 2012 to access an electronic version of the annual report in various download formats. See the Forms section of www.occc.state.tx.us.
- Show amounts only in whole dollars. Each individual amount should be rounded to the nearest whole dollar. Check addition for rounding errors, as all sections must total correctly.
- **Report all figures as net, not gross.**
- Use a consistent basis of presentation (for example, cash basis versus accrual basis) for your company's data throughout the annual report. Express figures in full, rather than in thousands.
- Report all assets, liabilities, income realized/accrued, and expenses just as they appear on your accounting records. If you record items on these annual report schedules differently from the way they appear on your accounting records, please explain the discrepancy.
- **Return completed forms to the Office of Consumer Credit Commissioner, 2601 North Lamar Boulevard, Austin TX 78705-4207. If you have questions about your annual report, contact Ann Harrington at 512.936.7619 or aharrington@occc.state.tx.us.**
- **CHECK YOUR ADDITION!**
- **No fee is due with the annual report.**

AVOID PAYING FINES AND LOSING YOUR LICENSE
You may face administrative enforcement actions (fines and license suspension or revocation) if you fail to:
➤ file a complete, correct report by the May 1 deadline
AND
➤ maintain the appropriate level of net assets
Your prompt attention to these requirements is

Special Situations

- **Companies/individuals holding multiple licenses:** Each company or person holding more than one license should file one consolidated report for all licenses under each company. Different entity types should not be mixed in a consolidated report, i.e., partnerships and corporations should not be combined in a consolidated report even if one person controls both. Each different legal entity should file a separate report.

☆ **Note that the net asset requirement applies to each license, whether active or inactive.** ☆
- **Licensees that had no reportable business at all in 2011:** You must complete the cover page, any applicable parts of Schedule A (to show you are maintaining your net asset requirement), and

Schedule B if you had other income and expenses. *The remaining schedules should be marked “Not Applicable.”*

- **Licensees that do business outside of Texas:** Note that Schedules A and B should reflect all of the licensee’s financial activities at the national level, but Schedules C through I should reflect only Texas business activity.
- **Publicly-held licensees:** Please submit a copy of the 2011 Annual Report and any Form 10-K filed in 2011. If the licensee does not prepare the reports, provide the parent company’s Annual Report or 10K form.
- **Mortgage brokers:** A mortgage broker is required to complete only the cover page and Schedules A, B, and E if the broker meets both of these conditions:
 - 1) broker arranges, transacts, or negotiates mortgage loans **AND**
 - 2) broker does not hold, service, or collect any mortgage loans

A mortgage broker who does not meet both of those conditions should fill out all the schedules.

Following are some definitions from Chapter 342 of the Texas Finance Code that you may find helpful in determining whether you meet both conditions.

- *Arranging or transacting* a loan means participating in any of the significant events associated with the lending process up through funding, including the preparation, negotiation, execution of loan documents, or the transfer of money by the lender to the borrower or to a third party on the borrower's behalf.
- *Negotiating* a loan is the process of submitting and considering offers between a borrower and a lender with the objective of reaching an agreement on the terms of a loan. The act of passing information between the parties can, by itself, be considered “negotiation” if it was part of the process of reaching an agreement on the terms of a loan. “Negotiation” involves acts which take place before an agreement to lend or the funding of a loan actually occurs.

Instructions for Individual Schedules and Forms

Use these instructions as needed to find answers to your questions and help you to complete the annual report forms correctly. Remember that the May 1 deadline for submittal of this report is mandated by Chapter 342.559 of the Texas Finance Code.

Instructions for Cover Page and Licensee’s Verification

Fill out both of these pages completely. Incomplete or incorrect reports will be returned for correction.

Instructions for Schedule A: Balance Sheet

Report all figures as net, not gross. **For Lines 2-9, report only the principal due for simple interest loans due to you on December 31, 2011. For precomputed loans, use the figures that are net of unearned interest and charges.** Note: Lines 9 (Total Assets) and 14 (Total Liabilities and Owner’s Equity) should equal each other.

Assets

- **Line 1:** Enter the total on hand and in bank(s) as of December 31, 2011.
- **Line 2:** This figure is specific to loans made in Texas that are regulated according to Chapter 342, Subchapter **E** (342.E) of the Texas Finance Code. These consumer installment loans are generally secured by personal property (instead of real property). They may be precomputed or interest-bearing. The figure on this line should equal Line 1 of Schedule C.
- **Line 3:** This figure is specific to loans made in Texas that are regulated according to Chapter 342, Subchapter **F** (342.F) of the Texas Finance Code. These short-term loans are generally unsecured,

and include payday and small loans. The figure on this line should equal the total of Lines 1 and 2 of Schedule C.

- **Line 4:** This figure is specific to loans made in Texas that are regulated according to Chapter 342, Subchapter G (342.G) of the Texas Finance Code. These long-term loans (secondary mortgages) are secured by real property and often take the form of home improvement loans, in which loan principal is devoted to home repairs and renovations. Generally, home equity loans (both first and second lien) are included in this category but, for this schedule, please include home equity receivables on Line 6, as part of the figure you provide for Other Mortgage Loans Receivable. The figure on this line should equal Line 6 of Schedule C.
- **Line 5:** This figure is specific to loans made in Texas that are regulated according to Chapter 348 of the Texas Finance Code. These transactions consist of motor vehicle retail sales financing contracts. The figure on this line should equal Line 9 of Schedule C.
- **Line 6:** The figure for Other Mortgage Loans Receivable should include all mortgage loan activity in the licensee's overall business (minus the amount recorded on Line 4), including business activities on the national level. Include home equity loan receivables (both first and second lien) in this figure. Home equity loans allow borrowers to use the market value of a home as collateral for a loan; the principal may generally be used for any purpose, including but not limited to debt consolidation and home improvement.
- **Line 7:** The figure for Other Loans Receivable should account for all loan business company-wide not already reported in Lines 1-6, including any revolving credit accounts subject to Chapter 346 of the Texas Finance Code. These accounts provide lines of credit to be used for specific purposes, like those offered by some department stores.
- **Line 8:** Report the total of all other assets devoted to the business. Report depreciable assets net of depreciation.
- **Line 9:** Total Lines 1-8.

Liabilities and Owner's Equity

- **Lines 10-11:** Record liability amounts for the business as appropriate.
- **Line 12:** Total the amounts on Lines 10-11.
- **Line 13:** For Owner's Equity, report an amount which equals Line 9 (Total Assets) minus Line 12 (Total Liabilities).
- **Line 14:** The amount on this line should equal Line 9 (Total Assets).

Instructions for Schedule B: Statement of Income and Expenses

Report all figures as **net, not gross**. Please note that interest income is requested by loan type.

Income

- **Line 1:** Report the interest income earned from loans regulated according to Chapter 342.E (Texas-only transactions). See Schedule A instructions for loan descriptions.
- **Line 2:** Report finance charges earned as Acquisition and Installment Account Handling Charges on Chapter 342.F loans (Texas-only transactions). See Schedule A instructions for loan descriptions.
- **Line 3:** Report the total of all income from Chapter 342.G and home equity loans, including interest, default charges, deferment charges, insurance income, interest paid on deposits, bad debt recoveries, etc. (Texas-only transactions). See Schedule A instructions for loan descriptions.
- **Line 4:** Report the income earned in the form of motor vehicle time price differential charges (Texas-only transactions). Time price differential is defined as an amount, however denominated or expressed, that the seller adds to the cash sale price for services or property payable at the time of

sale; the purchaser pays this amount to the seller for the privilege of paying the offered sales price after the time of sale (through financing). See Schedule A instructions for loan descriptions.

- **Line 5:** Include here other types of income not reported on Lines 1-4 and earned company-wide.
- **Line 6:** Total Lines 1-5.

Expenses

- **Lines 7-10:** Report the expenses specific to your Texas regulated loan operations, breaking out the amounts into the categories provided (bad debts, salaries, interest you pay on the line of credit you access to make loans, and other expenses).
- **Line 11:** Provide a company-wide total for expenses related to all business activities other than regulated loans in Texas (including bad debts, salaries, interest you pay on the line of credit you access to make loans and other expenses).
- **Lines 12:** Total Lines 7-11.
- **Lines 13-14:** Provide the net income and total federal tax figures company-wide for calendar 2011.
- **Line 15:** For Net Income (Loss), report an amount which equals Line 6 (Total Income) minus Line 12 (Total Expenses).

Schedule C: Loans Receivable Balances

Unlike previous schedules, this schedule asks for information by the specific loan products authorized by each subchapter. Report these dollar figures as net amounts, excluding unearned charges and unearned interest and charges on precomputed loans. Totals for multiple loan products authorized by a single subchapter should match the totals you provided on Schedule A for each subchapter. Also requested on this schedule is the number of loans receivable.

- **Line 1:** There is only one type of Chapter 342.E loan referenced on the schedules, the secured consumer installment loan. These consumer installment loans are generally secured by personal property. They may be precomputed or interest-bearing. Make sure this amount matches the amount you reported on Line 2 of Schedule A.
- **Lines 2-3:** Small loans and payday loans are both authorized under Chapter 342.F. Small loans are closed-end loans with multiple scheduled payments and are generally unsecured. A payday loan—or deferred presentment transaction—is a term loan repayable in a single installment. Specifically, a cash advance is made in exchange for the borrower's personal check or authorization to debit the borrower's deposit account. To check your math, add up these lines and compare against Line 3 on Schedule A.
- **Lines 4-6:** These three lines request your secondary home equity loan receivables, first lien home equity loan receivables, and any mortgage receivables subject to Chapter 342.G, including home improvement and purchase money loans that hold second lien position.
- **Line 7:** Record any mortgage receivables (including first lien purchase money or rate and term refinances) other than the mortgage amounts listed in Lines 4-6.
- **Line 8:** Revolving credit accounts, generally offered by retailers, are authorized under Chapter 346. This type of loan is accounted for on Schedule A in Line 7—Other Loans Receivable.
- **Line 9:** There is only one type of Chapter 348 transaction referenced on the schedules. Make sure this amount matches the amount on Line 5 of Schedule A.
- **Line 10:** Total Lines 1-9.

Schedule D: Loans Made

Record the total number of loans made or renewed during 2011 as well as the net amounts of principal loaned. Principal here is considered the amount on which interest or other finance charges is computed.

For a description of the loan types on Lines 1-9, see the instructions for Schedule C.

Line 11 requests the percentage of loans that were retained by the company instead of being sold to another company for collection activity. If you retained and collected all loans, then the correct percentage is 100%.

Schedule E: Brokered Loans

Record the total number of loans made or renewed during 2011 as well as the net amounts of principal loaned. Principal here is considered the amount on which interest or other finance charges is computed. For a description of the loan types on Lines 1-5, see the instructions for Schedule C.

☆ If you brokered loans, attach a list of companies under whose names the loans were closed. ☆

Schedule F: Delinquency and Collections

This schedule requests three types of information related to collection activities.

- **Lines 1-2:** Report the number of loans and total loan balances for accounts contractually delinquent by more than 60 and 90 days, respectively. Use figures from after year-end charge-off.
- **Lines 3-4:** On repossessions, report the number of loans and total loan balances due that were repossessed regardless of whether all or part of the collateral was repossessed. Proceeds from sales should show the number of loans on which repossessed collateral was sold and the gross proceeds from the sales.
- **Line 5:** Report the total number of suits filed and the balances due on the loans at the time the suits were filed. If two or more suits are filed on one account, each suit is to be reported. Provide the account balances rather than the amounts sued for.

Schedule G: Credit Insurance Sales

Record here the credit insurance policy you have sold in conjunction with loans. Reminder: If you have nothing to report, please mark schedule “Not Applicable” or “N/A.”

Note on credit life data: this total should combine single and joint life policies.

- **Line 2:** To get the percentage of eligible loans covered, divide the number of insurance sales to borrowers by the total number of insurance-eligible loans, then multiply that figure by 100.
- **Line 6:** Net Insurance Income/Retained Premium is the amount of income you derived from the sale of credit insurance.

Schedule H: Ancillary Products

This schedule requests data related to other products that some licensees sell as part of their regulated loan business. Reminder: If you have nothing to report, please mark schedule “Not Applicable” or “N/A.”

Schedule I: Escheat Account

Report the amount of any refunds sent to the Texas Comptroller’s Unclaimed Property Division (see note below for clarification) and also provide the ending balance of your escheat suspense account. Reminder: If you have nothing to report, please mark schedule “Not Applicable” or “N/A.”

Note: If a finance company owes any amount to a borrower and has not refunded the money within one year, the funds are transferred to an *escheat suspense account* maintained by the finance company. At the end of three years, the finance company needs to send the refund to the Texas Comptroller of Public Accounts, Unclaimed Property Division. (For more information, see the Unclaimed Property Division at www.window.state.tx.us.)

Remember the report is due by May 1, 2012 and should be mailed to:

Ann H Harrington
Office of Consumer Credit Commissioner
2601 North Lamar Blvd
Austin, Texas 78705-4207