

SCHEDULE L
CFLR REPORT ON NON-TRADITIONAL, ADJUSTABLE RATE
AND MORTGAGE LOAN PRODUCTS

COMPANY NAME: _____
LICENSE NUMBER: _____
NMLS NUMBER: _____
CONTACT PERSON: _____ PHONE NO: _____

1. During calendar year 2012, have you made or arranged non-traditional mortgage products or adjustable rate mortgage products as defined by the Guidance?

- | | | |
|--|----------------------------------|---------------------------------|
| a. Made non-traditional mortgage products? | Yes [<input type="checkbox"/>] | No [<input type="checkbox"/>] |
| b. Arranged non-traditional mortgage products? | Yes [<input type="checkbox"/>] | No [<input type="checkbox"/>] |
| c. Made adjustable rate mortgage products? | Yes [<input type="checkbox"/>] | No [<input type="checkbox"/>] |
| d. Arranged adjustable rate mortgage products? | Yes [<input type="checkbox"/>] | No [<input type="checkbox"/>] |

If the answer is YES to any of the above, please complete items 2 through 4.
If the answer is NO to all questions, there is no need to complete items 2 through 4.

2. Please describe on a separate page how you have implemented the best practices and explain whether and how you have put into effect the following internal controls or procedures during the reporting period:

- a. Adopted processes, policies and procedures to ensure compliance with the Guidance.
- b. Implemented a consumer complaint process to resolve consumer complaints involving loans covered by the Guidance.
- c. Educated employees and agents to help them understand how to apply the best practices.
- d. Designated a compliance officer to ensure compliance with the Guidance.

Compliance Officer's Name: _____
Address: _____
Phone: _____ E-mail: _____

3. Consumer complaint information:

- a. Number of consumer complaints received _____
- b. Number of consumer complaints resolved _____
- c. Number of consumer complaints unresolved _____
- d. Number of Workout Arrangements* used for resolved complaints _____

4. If any non-traditional mortgage loans or adjustable rate mortgage loans subject to the Guidance were made or arranged, the finance company shall submit information regarding these loan products on the form entitled "Non-traditional, Adjustable Rate and Mortgage Loan Survey". The survey form is provided on page 26 of the 2012 Annual Report Form.

*Workout Arrangement shall mean a modified or converted loan product with predictable payment requirements to help the financially-stressed borrower.

SCHEDULE L
(Continuation)
NON-TRADITIONAL, ADJUSTABLE RATE AND MORTGAGE LOAN SURVEY

1. License Information (to be completed by all respondents)	
Department of Corporations license number:	
Licensee name:	
Person who prepared this report:	
Preparer's title:	
Telephone number:	
Email address:	

2. Does your company offer non-traditional mortgage products? (Place an "x" in the appropriate category) (If "yes" complete remaining survey)	Yes		<input type="checkbox"/>
	No		<input type="checkbox"/>
	If yes:		
3. If "yes" are they retained on the books or sold? (Place an "x" in one or both categories)	Retained		<input type="checkbox"/>
	Sold		<input type="checkbox"/>

4. Please show the dollar volume in thousands and number of loans retained as of December 31, 2012, and the dollar volume in thousands and number of loans sold over the 12 month period ending December 31, 2012. For loans with multiple non-traditional characteristics include them in each category applicable.	Retained (Number of Loans)	Retained (Dollar Amount)	Sold (Number of Loans)	Sold (Dollar Amount)
a. Interest-only Mortgage Loan				
b. Payment Option ARM				
c. Reduced Documentation				
d. Simultaneous Second-lien Loan				
e. Home Equity Line of Credit				
f. Covered Loans				
g. Adjustable Rate Mortgage Loans				
5. All Loans (Non-Traditional and Traditional)				

**SCHEDULE L
(Continuation)**

Definitions

a. Interest-only Mortgage Loan	A nontraditional mortgage on which, for a specified number of years (e.g., three or five years), the borrower is required to pay only the interest due on the loan during which time the rate may fluctuate or may be fixed. After the interest-only period, the rate may be fixed or fluctuate based on the prescribed index and payments include both principal and interest.
b. Payment Option ARM	A nontraditional mortgage that allows the borrower to choose from a number of different payment options. For example, each month, the borrower may choose a minimum payment option based on a "start" or introductory interest rate, an interest-only payment option based on the fully indexed interest rate, or a fully amortizing principal and interest payment option based on a 15-year or 30-year loan term, plus any required escrow payments. The minimum payment option can be less than the interest accruing on the loan, resulting in negative amortization. The interest-only option avoids negative amortization but does not provide for principal amortization. After a specified number of years, or if the loan reaches a certain negative amortization cap, the required monthly payment amount is recast to require payments that will fully amortize the outstanding balance over the remaining loan term.
c. Reduced Documentation	A loan feature that is commonly referred to as "low doc/no doc", "no income/no asset", "stated income" or "stated assets." For mortgage loans with this feature, an institution sets reduced or minimal documentation standards to substantiate the borrower's income and assets.
d. Simultaneous Second-lien Loan	A lending arrangement where either a closed-end second-lien or a home equity line of credit (HELOC) is originated simultaneously with the first lien mortgage loan, typically in lieu of a higher down payment.
e. Home Equity Line of Credit	An open-end loan, usually recorded as a second mortgage, that permits borrowers to obtain cash advances based on an approved line of credit.
f. Covered Loans	<p>Covered loan (per 4970(FC)) - a consumer loan in which the original principal balance of the loan does not exceed the most current conforming loan limit for a single-family first mortgage loan established by Fannie Mae and where one of the following conditions are met:</p> <p>a) the APR at consummation will exceed by more than 8 percentage points the yield on Treasury securities having comparable maturity periods on the 15th day of the month immediately preceding the month in which the loan application is received or</p> <p>b) the total points and fees payable by the consumer at or before closing will exceed 6% of the total loan amount.</p>
g. Adjustable Rate Mortgage Loans	An adjustable rate mortgage loan that has one or more of the following characteristics: (1) low initial payments based on a fixed introductory rate that expires after a short period and then adjusts to a variable index rate plus a margin for the remaining term of the loan; (2) very high or no limits on how much the payment amount or the interest rate may increase ("payment or rate caps") on reset dates; (3) limited or not documentation of borrower's income; (4) product features likely to result in frequent refinancing to maintain an affordable monthly payment; and/or (5) substantial prepayment penalties and/or prepayment penalties that extend beyond the initial fixed interest rate period. As an example of number (1) above, ARMs known as "2/28" loans feature a fixed rate for two years and then adjust to a variable rate for the remaining 28 years, and the spread between the initial fixed interest rate and the fully indexed interest rate in effect at loan origination typically ranges from 300 to 600 basis points.

SCHEDULE M
ADDITIONAL LOAN INFORMATION

1. Please answer the following questions in connection with the Secure and Fair Enforcement for Mortgage Licensing Act of 2008 (SAFE Act): (Information regarding the SAFE Act can be found on our website at www.corp.ca.gov)

A. Did you make, arrange or service any residential mortgage loans as defined by the SAFE Act? Yes No

B. How many mortgage loan originators did you employ as of 12/31/12 for this activity? _____

C. Indicate the NMLS Unique Identifier Number _____

2. Under the authority of your CFL license, please indicate which of the following type(s) of loan programs were provided to applicants during the calendar year:

- | | | |
|--|------------------------------|-----------------------------|
| A. Consumer First mortgage loans (1-4 units) | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| B. Consumer unsecured loans | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| C. Consumer personal property loans | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| D. Automobiles and Other Motor Vehicles | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| E. Auto title loans | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| F. Affordable Credit-Building Opportunity loans | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| G. Commercial real estate loans | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| H. Commercial unsecured loans | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| I. Commercial Business Equipment | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| J. Commercial Automobiles and Other Motor Vehicles | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| K. Accounts Receivable Financing | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| L. Other CFL Activity (describe below) | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
- _____
- _____
- _____

3. The following questions are in connection with the California Foreclosure Reduction Act and the single point of contact requirement in Civil Code Section 2323.7.

A. During 2012, did you foreclose on 175 or fewer residential properties containing no more than four dwelling units that are located in California? Yes No

B. Provide your total number of foreclosures on residential real properties located in California, containing no more than four dwelling units, during 2012. _____

**SCHEDULE N
SCHEDULE OF LOAN ACTIVITY
AS OF DECEMBER 31, 2012**

	Unsecured		Personal Property Loans		Automobiles and Other Motor Vehicles		Auto Title Loans	
	No.	Amount	No.	Amount	No.	Amount	No.	Amount
A. Consumer Loans Serviced:								
1. Loans outstanding prior year at 12/31/11								
2. Loans outstanding at year end 12/31/12								
3. Loans with one or more past due payments which are past due 30 or more days @ 12/31/12								
4. For calendar year 2012 provide the following:								
a. Total loans made								
b. Number of loans charged one or more late fees								
c. Total late fees collected								
d. Total number of repossessions								
e. Total number of loans reinstated or collateral redeemed								
f. Total collateral sales								
g. Total charge-offs								
5. Average contracted term of loan (months)								

B. Schedule of Other Consumer Loans Made *(This section must be completed by all licensees who have originated consumer loans that were not made under the California Finance Lenders Law)*

<u>Total Number of Loans Made</u>	<u>Total Principal Amount of Other Loans Made</u>
_____	\$ _____
=====	=====

State the name of the agency and your license number for the authority used to originate other consumer loans: _____

C. Schedule of Other Commercial Loans Made *(This section must be completed by all licensees who have originated commercial loans that were not made under the California Finance Lenders Law)*

<u>Total Number of Loans Made</u>	<u>Total Principal Amount of Other Loans Made</u>
_____	\$ _____
=====	=====

State the name of the agency and your license number for the authority used to originate other commercial loans: _____