

2001

ANNUAL REPORT

Operation of

Finance Companies Licensed

under the

California Finance Lenders Law



State of California

Business, Transportation and Housing Agency

Department of Corporations

STATE OF CALIFORNIA
GRAY DAVIS, Governor

BUSINESS, TRANSPORTATION AND HOUSING AGENCY

DEPARTMENT OF CORPORATIONS

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California Corporations Commissioner

FINANCIAL SERVICES DIVISION

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*Los Angeles, California
June 4, 2002*

This Report includes data submitted by lenders licensed under the Commercial Finance Lenders (CML) law, as well as lenders and brokers licensed under the Personal Property Brokers (PPB) law and Consumer Finance Lenders (CFL) law until July 1, 1995 and Finance Lenders for the balance of the 1995 calendar year.

Effective July 1, 1995, the PPB, CFL, and CML laws were consolidated without substantive change into a single regulatory program, the CALIFORNIA FINANCE LENDERS LAW. This report is a composite of annual reports of California's lender and broker licensees for the calendar year ended December 31, 2001 submitted in compliance with Section 22159 of the California Finance Lenders Law.

This Report is based on unaudited data presented by licensees and submitted in a format prescribed by the Department of Corporations. While the format of the financial information presented in the Report follows that of conventional financial statements, the reader should be aware that the data contained herein is primarily statistical in nature.

Statistical data compilations required of licensees have been modified to provide more meaningful statistics. Comparison of such data with prior years will be left to the reader.

AS OF	NUMBER OF LICENSEES
DECEMBER 31, 1995	4,735
DECEMBER 31, 1996	4,424
DECEMBER 31, 1997	4,404
DECEMBER 31, 1998	4,180
DECEMBER 31, 1999	3,829
DECEMBER 31, 2000	3,789
DECEMBER 31, 2001	3,732

STATISTICAL INFORMATION
Average Size of Loans

PERSONAL PROPERTY BROKERS					
Calendar Year	Number of Loans Made	Principal Amount of Loans Made	Average Size of Loans Made		
			Consumer Loans	Commercial Loans	All Loans
1990	357,173	2,573,213,619	2,812	58,717	7,204
1991	632,249	2,267,270,498	1,743	50,106	3,586
1992	587,154	2,666,084,709	2,334	48,184	4,540
1993	543,540	2,627,448,351	2,002	44,536	4,834
1994	337,175	3,298,179,224	17,818	8,513	9,782

CONSUMER FINANCE LENDERS			
Calendar Year	Number of Loans Made	Principal Amount of Loans Made	Average Size of Loans Made
1990	1,065,477	11,588,077,285	10,876
1991	820,403	13,927,271,337	16,976
1992	836,438	20,030,605,902	23,947
1993	896,835	23,383,765,928	26,074
1994	1,504,523	24,780,150,081	16,470

COMMERCIAL FINANCE LENDERS			
Calendar Year	Number of Loans Made	Principal Amount of Loans Made	Average Size of Loans Made
1990	37,218	12,745,435,322	342,454
1991	67,957	15,831,822,614	232,968
1992	115,717	29,561,622,940	255,464
1993	64,915	27,736,658,256	427,277
1994	192,420	17,740,069,588	92,195

CALIFORNIA FINANCE LENDERS						
Calendar Year	Number of Loans Made	Principal Amount of Loans Made	Average Size of Loans Made			
			Consumer Loans	Commercial Loans	All Loans	
1995	2,601,815	\$ 53,859,078,047	\$ 10,843	\$ 41,112	\$ 20,701	
1996	2,831,313	56,384,220,436	7,147	46,380	19,915	
1997	3,078,334	79,336,869,590	11,312	47,287	25,773	
1998	2,912,288	96,772,880,848	21,510	45,945	33,229	
1999	3,032,409	106,276,270,474	21,881	56,110	35,047	
2000	3,006,443	87,886,670,201	15,456	48,173	29,233	
2001	3,530,073	137,947,617,838	20,699	64,389	39,078	

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CALIFORNIA FINANCE LENDERS

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EXHIBIT A
CALIFORNIA FINANCE LENDERS
BALANCE SHEET
AS OF DECEMBER 31, 2001
(in thousands)

<u>ASSETS</u>		% of Total Assets
Cash	\$ 77,382,158	3.75
Investments	338,820,588	16.44
California Finance Lender Loan Receivables	92,129,020	4.47
Other Receivables	738,550,799	35.83
Reserves and Withholds by Banks and Finance Companies	510,489	0.02
Real and Personal Property (Net)	73,220,596	3.55
Prepaid Expenses and Deferred Charges	6,927,748	0.34
Commissions Receivables	134,980	0.01
Other Assets	733,604,903	35.59
Total Assets	\$ 2,061,281,281	100.00

<u>LIABILITIES AND NET WORTH</u>		% of Total Liabilities and Net Worth
Loans and Notes Payable from Third Parties	\$ 346,543,407	16.81
Loans and Notes Payable from Parent Companies, Affiliates, etc.	407,375,640	19.76
Bonds, Debentures, Notes and Certificates of Indebtedness	341,124,241	16.55
Accounts Payable	242,453,664	11.76
Dealers Reserves and Withholds	4,122,155	0.20
Accrued Taxes Other Than Income Tax	1,480,785	0.07
Reserve for Income Taxes	35,984,929	1.75
Credit Insurance Premiums Due Insurer	-149,201	-0.01
Other Liabilities and Accruals	491,757,375	23.86
Total Liabilities	1,870,692,995	90.75
Net Worth	190,588,286	9.25
Total Liabilities and Net Worth	\$ 2,061,281,281	100.00

EXHIBIT B
CALIFORNIA FINANCE LENDERS
ANALYSIS OF LOANS AND RECEIVABLES OUTSTANDING
AS OF DECEMBER 31, 2001
(in thousands)

	<u>Aggregate Balance</u>	<u>% of Subtotal</u>
<u>CALIFORNIA FINANCE LENDER LOAN RECEIVABLES</u>		
Consumer Loans	\$ 44,460,642	45.39
Commercial Loans	<u>53,483,220</u>	<u>54.61</u>
Subtotal	\$ 97,943,862	<u>100.00</u>
Less: Unearned Pre-computed Charges	3,464,965	
Allowance for Bad Debts	<u>2,349,877</u>	
Net California Finance Lender Loan Receivables	<u>\$ 92,129,020</u>	

OTHER RECEIVABLES

Sales Contracts	\$ 174,433,484	22.39
Leases (True Leases)	145,190,681	18.64
Factoring	10,125,210	1.30
Other	<u>449,297,366</u>	<u>57.67</u>
Subtotal	\$ 779,046,741	<u>100.00</u>
Less: Unearned Pre-computed Charges and Discounts	24,252,559	
Allowance for Bad Debts	<u>16,243,383</u>	
Net Other Receivables	<u>\$ 738,550,799</u>	

EXHIBIT C
CALIFORNIA FINANCE LENDERS
STATEMENT OF INCOME AND EXPENSES
FOR CALENDAR YEAR 2001
(in thousands)

		<u>% of Total Income</u>
<u>INCOME</u>		
Gross Income from California Finance Lender Loans and California Finance Lender Brokered Loans	\$ 8,966,187	2.85
Gross Income from All Other Business and Sources	<u>305,278,640</u>	<u>97.15</u>
Total Gross Income	<u>\$ 314,244,827</u>	<u>100.00</u>
<u>EXPENSES</u>		
Advertising and Promotion	\$ 1,388,804	0.44
Professional Audit and Accounting Services	948,374	0.30
Insurance and Bond Premiums	448,986	0.14
Legal Services and Expenses	902,910	0.29
Occupancy Expenses	2,479,720	0.79
Provision for Bad Debt Allowance	15,632,390	4.97
Salaries and Bonuses: Employees	28,355,112	9.02
Salaries and Bonuses: Owners, Partners, Executives	1,937,793	0.62
Depreciation	14,850,224	4.73
License Fees and Taxes	479,783	0.15
Telephone and Utilities	1,508,595	0.48
Travel	738,746	0.24
Other Expenses	<u>154,362,838</u>	<u>49.12</u>
Total Expenses before Interest and Income Taxes	<u>\$ 224,034,275</u>	<u>71.29</u>
Income before Interest and Income Taxes	\$ 90,210,552	28.71
Less: Interest Paid to Bona Fide Third Parties	46,278,789	14.73
Interest Paid to Parent Company, Affiliates and Others	<u>28,303,273</u>	<u>9.01</u>
Income before Income Taxes	\$ 15,628,490	4.97
Less: Provision for Income Taxes	<u>6,011,168</u>	<u>1.91</u>
Net Income	<u>\$ 9,617,322</u>	<u>3.06</u>

EXHIBIT D
CALIFORNIA FINANCE LENDERS
ANALYSIS OF INCOME RECEIVED
FOR CALENDAR YEAR 2001
(in thousands)

<u>CFL LOANS AND CFL BROKERED LOANS</u>	Loans Under \$2,500	Loans \$2,500 and Over	Total
<u>CONSUMER LOANS</u>			
Charges Earned on Loans	\$ 137,608	\$ 3,723,131	\$ 3,860,739
Collection from Charged Off Accounts	2,118	14,231	16,349
Income from Credit Insurance	169	2,416	2,585
Other Insurance Commissions	34	2,178	2,212
Administrative Fees	2,543	66,564	69,107
Commissions from Loan Brokering	489	68,995	69,484
Other Income	54,635	266,521	321,156
Income from Consumer Loans	<u>\$ 197,596</u>	<u>\$ 4,144,036</u>	<u>\$ 4,341,632</u>
<u>COMMERCIAL LOANS</u>			
Charges Earned on Loans			\$ 4,197,385
Collection from Charged Off Accounts			49,459
Income from Credit Insurance			14
Other Insurance Commissions			709
Commissions from Loan Brokering			4,018
Other Income			372,970
Income from Commercial Loans			<u>\$ 4,624,555</u>
Total Income from All Loans			<u>\$ 8,966,187</u>
<hr style="border-top: 1px dashed black;"/>			
<u>ALL OTHER BUSINESS AND SOURCES</u>			
Charges Earned on Loans			\$ 60,762,387
Other Interest or Return on Investments			19,499,628
Collection from Charged Off Accounts			129,518
Income from Credit Insurance			44,523
Other Insurance Commissions			136,753
Other Income Relating to Loans			224,705,831
Total Income from All Other Business and Sources			<u>\$ 305,278,640</u>

EXHIBIT E
CALIFORNIA FINANCE LENDERS
LOANS MADE OR REFINANCED BY SIZE
FOR CALENDAR YEAR 2001

Size of Loan	Number of Loans	% of Total Number	Principal Amount (in thousands)	% of Total Amount
<u>CONSUMER LOANS</u>				
\$ 499 or less	150,526	7.36	\$ 28,049	0.07
500 to 1,999	215,575	10.54	269,507	0.64
2,000 to 2,499	53,421	2.61	107,918	0.25
2,500 to 4,999	160,252	7.84	570,886	1.35
5,000 to 9,999	200,217	9.79	1,489,424	3.52
10,000 or more	<u>1,265,109</u>	<u>61.86</u>	<u>39,865,769</u>	<u>94.18</u>
Total Consumer Loans Made	<u>2,045,100</u>	<u>100.00</u>	<u>\$ 42,331,553</u>	<u>100.00</u>
<u>COMMERCIAL LOANS</u>				
\$5,000 or more	<u>1,484,973</u>	<u>100.00</u>	<u>\$ 95,616,065</u>	<u>100.00</u>
Total Commercial Loans Made	<u>1,484,973</u>	<u>100.00</u>	<u>\$ 95,616,065</u>	<u>100.00</u>
Total Loans Made, All Categories	<u>3,530,073</u>		<u>\$ 137,947,618</u>	

EXHIBIT F
CALIFORNIA FINANCE LENDERS
LOANS MADE OR REFINANCED BY TYPE OF SECURITY
FOR CALENDAR YEAR 2001

<u>Type of Security</u>	<u>Number of Loans</u>	<u>% of Total Number</u>	<u>Principal Amount (in thousands)</u>	<u>% of Total Amount</u>
<u>CONSUMER LOANS</u>				
<u>LOANS UNDER \$2,500</u>				
Unsecured	322,322	76.83	\$ 315,549	77.82
Personal Property	41,432	9.88	36,386	8.97
Automobiles & Other Motor Vehicles	15,812	3.77	23,297	5.75
Wage Assignments	77	0.02	58	0.01
Other Security	39,879	9.51	30,184	7.44
Total Loans Made	<u>419,522</u>	<u>100.00</u>	<u>\$ 405,474</u>	<u>100.00</u>
<u>LOANS OF \$2,500 TO \$4,999</u>				
Unsecured	77,938	48.63	\$ 274,329	48.05
Personal Property	22,068	13.77	82,096	14.38
Automobiles & Other Motor Vehicles	23,411	14.61	84,944	14.88
Wage Assignments	25	0.02	43	0.01
Other Security	36,810	22.97	129,474	22.68
Total Loans Made	<u>160,252</u>	<u>100.00</u>	<u>\$ 570,886</u>	<u>100.00</u>
<u>LOANS OF \$5,000 TO \$9,999</u>				
Unsecured	60,260	30.10	\$ 466,896	31.35
Personal Property	9,134	4.56	55,200	3.71
Automobiles & Other Motor Vehicles	41,902	20.93	526,997	35.38
Wage Assignments	6	0.00	30	0.00
Real Property	12,526	6.26	89,010	5.98
Other Security	76,389	38.15	351,291	23.59
Total Loans Made	<u>200,217</u>	<u>100.00</u>	<u>\$ 1,489,424</u>	<u>100.00</u>
<u>LOANS OF \$10,000 AND MORE</u>				
Unsecured	22,407	1.77	\$ 3,739,603	9.38
Personal Property	567	0.04	29,690	0.07
Automobiles & Other Motor Vehicles	705,653	55.78	15,587,817	39.10
Wage Assignments	0	0.00	0	0.00
Real Property	145,178	11.48	19,580,441	49.12
Other Security	391,304	30.93	928,218	2.33
Total Loans Made	<u>1,265,109</u>	<u>100.00</u>	<u>\$ 39,865,769</u>	<u>100.00</u>
Total Consumer Loans Made	<u>2,045,100</u>		<u>\$ 42,331,553</u>	

EXHIBIT F
(Continuation)
CALIFORNIA FINANCE LENDERS
LOANS MADE OR REFINANCED BY TYPE OF SECURITY
FOR CALENDAR YEAR 2001

<u>Type of Security</u>	<u>Number of Loans</u>	<u>% of Total Number</u>	<u>Principal Amount (in thousands)</u>	<u>% of Total Amount</u>
<u>COMMERCIAL LOANS</u>				
Unsecured	119,275	8.03	\$ 3,186,826	3.33
Personal Property	174,324	11.74	31,966,259	33.43
Automobiles & Other Motor Vehicles	828,686	55.80	20,519,874	21.46
Business Equipment	50,130	3.38	4,546,818	4.76
Real Property	57,971	3.90	18,604,048	19.46
Other Security	<u>254,587</u>	<u>17.14</u>	<u>16,792,240</u>	<u>17.56</u>
Total Commercial Loans Made	<u>1,484,973</u>	<u>100.00</u>	<u>\$ 95,616,065</u>	<u>100.00</u>
 Total Loans Made, All Categories	 <u>3,530,073</u>		 <u>\$ 137,947,618</u>	

EXHIBIT G
CALIFORNIA FINANCE LENDERS
LOANS MADE OR REFINANCED BY RATES CHARGED
FOR CALENDAR YEAR 2001

<u>Rates Charged</u>	<u>Number of Loans</u>	<u>% of Total Number</u>	<u>Principal Amount (in thousands)</u>	<u>% of Total Amount</u>
<u>CONSUMER LOANS</u>				
<u>LOANS UNDER \$2,500</u>				
Step Rate:				
2 1/2 - 2 - 1 1/2 - 1% per month	102,912	24.53	\$ 44,512	10.98
Alternate Rate:				
1.6% per month	11,293	2.69	3,055	0.75
Federal Reserve Bank Rate plus 10%	0	0.00	0	0.00
Other Rates:				
Up to 14.999 APR	84,833	20.22	126,697	31.25
15.000 to 19.999 APR	30,851	7.35	28,311	6.98
20.000 to 24.999 APR	126,435	30.14	152,609	37.64
25.000 to 29.999 APR	52,887	12.61	40,849	10.07
30.000 to 34.999 APR	5,638	1.34	4,639	1.14
35.000 to 39.999 APR	764	0.18	883	0.22
40.000 or More APR	354	0.08	1,168	0.29
Variable Rates Based on Index	3,555	0.85	2,751	0.68
Total Loans Made	<u>419,522</u>	<u>100.00</u>	<u>\$ 405,474</u>	<u>100.00</u>
<u>LOANS OF \$2,500 TO \$4,999</u>				
Up to 14.999 APR	3,708	2.31	\$ 13,082	2.29
15.000 to 19.999 APR	45,968	28.68	158,973	27.85
20.000 to 24.999 APR	29,311	18.29	103,750	18.17
25.000 to 29.999 APR	64,501	40.25	240,420	42.11
30.000 to 34.999 APR	10,864	6.78	37,395	6.55
35.000 to 39.999 APR	3,626	2.26	9,647	1.69
40.000 or More APR	1,649	1.03	5,509	0.96
Variable Rates Based on Index	625	0.39	2,110	0.37
Total Loans Made	<u>160,252</u>	<u>100.00</u>	<u>\$ 570,886</u>	<u>100.00</u>
<u>LOANS OF \$5,000 TO \$9,999</u>				
Up to 14.999 APR	92,116	46.01	\$ 690,181	46.34
15.000 to 19.999 APR	15,395	7.69	107,466	7.22
20.000 to 24.999 APR	30,467	15.22	308,168	20.69
25.000 to 29.999 APR	58,368	29.15	361,564	24.28
30.000 to 34.999 APR	523	0.26	2,980	0.20
35.000 to 39.999 APR	62	0.03	485	0.03
40.000 or More APR	791	0.40	4,895	0.33
Variable Rates Based on Index	2,495	1.25	13,685	0.92
Total Loans Made	<u>200,217</u>	<u>100.00</u>	<u>\$ 1,489,424</u>	<u>100.00</u>
<u>LOANS OF \$10,000 AND MORE</u>				
Up to 14.999 APR	1,183,612	93.56	\$ 34,021,831	85.34
15.000 to 19.999 APR	30,669	2.42	700,108	1.76
20.000 to 24.999 APR	20,833	1.65	386,675	0.97
25.000 to 29.999 APR	3,921	0.31	52,158	0.13
30.000 to 34.999 APR	78	0.01	1,709	0.00
35.000 to 39.999 APR	38	0.00	855	0.00
40.000 or More APR	1,576	0.12	191,478	0.48
Variable Rates Based on Index	24,382	1.93	4,510,955	11.32
Total Loans Made	<u>1,265,109</u>	<u>100.00</u>	<u>\$ 39,865,769</u>	<u>100.00</u>
Total Consumer Loans Made	<u>2,045,100</u>		<u>\$ 42,331,553</u>	

EXHIBIT G
(Continuation)
CALIFORNIA FINANCE LENDERS
LOANS MADE OR REFINANCED BY RATES CHARGED
FOR CALENDAR YEAR 2001

<u>Rates Charged</u>	<u>Number of Loans</u>	<u>% of Total Number</u>	<u>Principal Amount (in thousands)</u>	<u>% of Total Amount</u>
<u>COMMERCIAL LOANS</u>				
Up to 14.999 APR	157,247	10.59	\$ 25,532,491	26.70
15.000 to 19.999 APR	6,002	0.40	747,221	0.78
20.000 to 24.999 APR	754	0.05	166,832	0.17
25.000 to 29.999 APR	391	0.03	88,905	0.09
30.000 to 34.999 APR	480	0.03	143,896	0.15
35.000 to 39.999 APR	1,149	0.08	88,007	0.09
40.000 or More APR	1,064	0.07	164,830	0.17
Variable Rates Based on Index	<u>1,317,886</u>	<u>88.75</u>	<u>68,683,883</u>	<u>71.83</u>
Total Commercial Loans Made	<u>1,484,973</u>	<u>100.00</u>	<u>\$ 95,616,065</u>	<u>100.00</u>
 Total Loans Made, All Categories	 <u>3,530,073</u>		 <u>\$ 137,947,618</u>	