



For the
year
2016

Summary Report:

California Deferred Deposit Transaction Law –
Annual Report and Industry Survey



California Department
of Business Oversight

DEPARTMENT OF BUSINESS OVERSIGHT

Ensuring a Fair and Secure Financial Services Marketplace for all Californians



Jan Lynn Owen
Commissioner of Business Oversight

May 31, 2017

In January 2017 the California Department of Business Oversight (Department) directed Department-licensed deferred deposit originators commonly known as payday lenders to submit the *California Deferred Deposit Transaction Law Annual Report and Industry Survey*. The Department conducts the annual report pursuant to Financial Code section 23026 and the industry survey pursuant to Financial Code section 23015.

The survey allows the Department to gather up-to-date information on licensees' activities in order to assess the financial health and compliance practices of California's deferred deposit originator industry. This annual report and industry survey collected information on licensee activities during the calendar year ended December 31, 2016 related to the following:

CONSOLIDATED ANNUAL REPORT

- Transaction Analysis
- Returned Checks
- Licensing

CONSOLIDATED INDUSTRY SURVEY

- Volume of transactions per customer
- Customer ages and income
- Internet transactions
- Lead generators
- Disbursements to customers
- Payments from customers
- Collections
- Fees
- Subsequent transactions by the same borrowers
- Transactions with customers who receive government assistance
- Dishonored checks
- Dispute arbitration
- Active military customers

Responses to the annual report and industry survey have been consolidated into a Summary Report. Individual licensees' responses will remain confidential pursuant to Government Code section 6254(d). The Summary Report has been included with this letter for your convenience and also can be found on the Department website at:

http://www.dbo.ca.gov/Licensees/payday_Lenders/payday_lenders.asp

If you have questions or comments about the Summary Report, please contact Mona Elsheikh, Special Administrator, at (213) 576-7517 or Mona.Elsheikh@dbo.ca.gov.

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California Deferred Deposit Transaction Law

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EXECUTIVE SUMMARY

The California Deferred Deposit Transaction Law (CDDTL), which became effective on January 1, 2003, shifted responsibility for licensing and regulating persons engaged in the business of deferred deposit transactions from the Department of Justice to what is now the Department of Business Oversight (DBO). Pursuant to statute, the Department annually publishes a report containing information provided by CDDTL licensees.

In a deferred deposit transaction, commonly known as a payday loan, the consumer provides the originator a personal check for the amount of money they want. The originator provides the consumer the money, minus an agreed upon fee. The fee cannot exceed 15 percent of the face amount of the personal check. The originator then defers depositing the consumer's check for a specific period of time, which cannot exceed 31 days. The amount of the personal check cannot exceed \$300.

The annual report and industry survey data contained in this report is unaudited and covers licensees' activities in calendar year 2016. The annual report also provides historical data going back to 2007. The summary report for the industry survey provides data for valid responses only. The number of valid responses to the survey questions varied significantly depending on the question.

Following are some highlights from the 2016 annual report and industry survey:

- As of December 31, 2016 the DBO supervised 236 deferred deposit licensees at 1,854 licensed locations. The number of licensed locations declined 5.84 percent from 2015 and has dropped 22.85 percent since 2007. (Of the 236 licensees, 220 submitted data in time for this report.)
- The deferred deposit transaction business experienced a broad decline in 2016, as shown by three major indexes:
 - The total dollar amount of deferred deposit transactions declined 24.7 percent to \$3.14 billion from \$4.17 billion in 2015. That is the lowest annual dollar amount of deferred deposit transactions since 2010.
 - The total number of deferred deposit transactions dropped 6.2 percent to a nine-year low of 11.5 million from 12.3 million in 2015.
 - The total number of customers who obtained deferred deposit loans dropped 4.7 percent to 1.8 million from 1.9 million in 2015, ending six consecutive years of increases.
- The average annual percentage rate (APR) increased to 372 percent for deferred deposit transactions in 2016, from 366 percent in 2015.
- Senior citizens, those 62 and older, took out more deferred deposit loans – 23.4 percent of the 2016 total – than any other age group.
- The average amount of deferred deposit transactions in 2016 was \$251, compared to \$237 in 2015. The average length of a transaction was unchanged at an average 17 days.
- The average number of transactions per customer decreased slightly to 6.4 in 2016, from 6.5 in 2015.
- The number of customers who obtained 10 deferred deposit transactions in 2016 exceeded the number who obtained one transaction – 460,521 compared to 403,441.

Summary Report:
California Deferred Deposit Transaction Law – Annual Report and Industry Survey

- Subsequent transactions by the same borrower accounted for 83 percent of the total number of deferred deposit transactions in 2016 and 79 percent of the aggregate dollar amount.
- Of subsequent transactions by the same borrower, 62.7 percent were made the same day the previous transaction ended. Another 16.4 percent were made one to seven days after the previous transaction.
- Fifty-two (52) percent of deferred deposit customers had average annual incomes of \$30,000 or less, a decrease from 58.3 percent in 2015.
- For respondent licensees, the use of cash to disburse funds and receive payments from customers grew in 2016, while the use of electronic transfers (ACH) declined. Measured in dollar amounts, cash disbursements increased to 80.9 percent of all disbursements from 78 percent in 2015, while ACH disbursements dropped to 16.2 percent from 17 percent. In 2016, 66.7 percent of customers' payments were made with cash, up from 64 percent in 2015. Electronic transfers accounted for 16.4 percent of payments in 2016, compared to 21 percent in 2015.
- The dollar amount of deferred deposit checks charged off as uncollectible bad debt jumped 54.4 percent to a record \$143.4 million from \$92.9 million in 2015. As a share of the aggregate dollar amount, the dollar amount of charged-off returned checks more than doubled to 4.57 percent in 2016 from 2.23 percent in 2015.
- Respondent licensees collected \$458.5 million in fees on deferred deposit transactions in 2016. Of that total, 74.8 percent – \$343 million – came from customers who made seven or more transactions during the year.
- With respect to dispute resolution, 51 percent of respondent licensees have clauses in their written agreements requiring arbitration, and 28 percent have arbitration clauses that prohibit customers from joining class actions.

PART I: CONSOLIDATED ANNUAL REPORT

INTRODUCTION

The Department has compiled in this report unaudited data submitted by licensed deferred deposit originators. The report is required by Financial Code section 23026. The complete citation states:

On or before March 15 of each year, beginning March 2006, each licensee shall file an annual report with the commissioner pursuant to procedures that the commissioner shall establish. The licensee's annual report shall be kept confidential pursuant to Chapter 3.5 (commencing with Section 6250) of Division 7 of Title 1 of the Government Code and any regulations adopted thereunder. The annual consolidated report shall be prepared by the commissioner and made available to the public. For the previous calendar year, these reports shall include the following:

- (a) The total number and dollar amount of deferred deposit transactions made by the licensee.*
- (b) The total number of individual customers who entered into deferred deposit transactions.*
- (c) The minimum, maximum, and average amount of deferred deposit transactions.*
- (d) The average annual percentage rate of deferred deposits.*
- (e) The average number of days of deferred deposit transactions.*
- (f) The total number and dollar amount of returned checks.*
- (g) The total number and dollar amount of checks recovered.*
- (h) The total number and dollar amount of checks charged off.*

The Department also has included related information, such as the number of licenses issued, filed and surrendered.

The CDDTL defines a "deferred deposit originator" as any person who offers, originates or makes a deferred deposit transaction.

This year 220 out of 236 Department-licensed deferred deposit originators participated in the annual report. The Department has revoked the licenses or has enforcement actions pending against those licensees that did not submit the required information.

Summary Report:
California Deferred Deposit Transaction Law – Annual Report and Industry Survey

CDDTL Historical Data – Transactions

Total Dollar Amount and Number of Transactions

	Total dollar amount of deferred deposit transactions	Total number of deferred deposit transactions	Total number of individual customers who obtained deferred deposit transactions (repeat customers counted once)
2016	\$3,140,796,960	11,501,880	1,796,463
2015	\$4,170,267,951	12,261,885	1,885,934
2014	\$3,376,447,239	12,407,422	1,818,524
2013	\$3,165,667,707	12,163,832	1,779,471
2012	\$3,229,018,352	12,255,026	1,768,501
2011	\$3,276,629,497	12,427,810	1,738,219
2010	\$3,125,299,157	12,092,091	1,646,700
2009	\$3,088,358,316	11,784,798	1,567,188
2008	\$3,092,592,282	11,841,014	1,665,019
2007	\$2,969,905,917	11,152,466	1,609,680

In 2016, the total dollar amount of transactions decreased by 24.7 percent from the previous year, dropping to the lowest level since 2010. The total number of transactions also fell by 6.2 percent to a level not seen in almost a decade, since 2007. The table also reflects a 4.74 percent decline in the number of deferred deposit customers, ending six consecutive years of increases. The average number of transactions per individual customer declined from 6.93 in 2007 to 6.4 in 2016.

Summary Report:
California Deferred Deposit Transaction Law – Annual Report and Industry Survey

CDDTL Historical Data - Transactions (continued)

Transaction Analysis

	*Average dollar amount of deferred deposit transactions	**Average annual percentage rate (APR)	Average number of days of deferred deposit transactions
2016	\$251	372%	17
2015	\$237	366%	17
2014	\$235	361%	16
2013	\$260	408%	17
2012	\$260	411%	17
2011	\$263	411%	17
2010	\$258	414%	17
2010	\$258	414%	17
2009	\$262	414%	17
2008	\$261	416%	17
2007	\$266	424%	16

* Maximum transaction amount, per statute, is \$300.

** APR is calculated using the average method, in which all APRs reported are divided by the number of licensees.

The average deferred deposit dollar amount increased by 5.9 percent in 2016, to \$251. The average APR for deferred deposit transactions also increased to 372 percent from 366 percent in 2015.

Summary Report:
California Deferred Deposit Transaction Law – Annual Report and Industry Survey

CDDTL Historical Data - Returned Checks

Returned Checks: Total Number and Dollar Amount

	Total number of returned checks in deferred deposit transactions	Total number of returned checks in deferred deposit transactions as percentage of total number of deferred deposit transactions	Total dollar amount of returned checks in deferred deposit transactions	Total dollar amount of returned checks in deferred deposit transactions as percentage of total dollar amount of deferred deposit transactions
2016	773,352	6.72%	\$193,296,665	6.15%
2015	780,856	6.37%	\$212,767,330	5.10%
2014	725,170	5.84%	\$196,652,680	5.82%
2013	706,214	5.81%	\$191,816,906	6.06%
2012	674,648	5.51%	\$180,460,466	5.59%
2011	931,387	7.49%	\$246,769,462	7.53%
2009	677,616	5.75%	\$178,369,234	5.78%
2008	816,605	6.90%	\$214,887,020	6.95%
2007	823,594	7.38%	\$213,050,882	7.17%

- From 2015 to 2016, the number of returned checks in deferred deposit transactions declined 0.96 percent.

Summary Report:
California Deferred Deposit Transaction Law – Annual Report and Industry Survey

CDDTL Historical Data - Returned Checks (Continued)

Returned Checks Recovered

	Total number of returned checks recovered (including partial recoveries) in deferred deposit transactions	Total number of returned checks in deferred deposit transactions recovered (includes partial recoveries) as percentage of total number of deferred deposit transactions	Total dollar amount of returned checks recovered (includes partial recoveries) in deferred deposit transactions	Total dollar amount of returned checks recovered (including partial recoveries) in deferred deposit transactions as percentage of total dollar amount of deferred deposit transactions
2016	421,361	3.66%	\$92,188,809	2.94%
2015	417,957	3.41%	\$96,878,435	2.32%
2014	399,973	3.22%	\$93,854,369	2.78%
2013	370,812	3.05%	\$88,276,576	2.79%
2012	389,312	3.18%	\$92,394,261	2.86%
2011	642,069	5.17%	\$160,480,858	4.90%
2010	674,470	5.58%	\$164,196,162	5.25%
2009	432,284	3.67%	\$98,998,954	3.21%
2008	522,157	4.41%	\$120,316,378	3.89%
2007	492,405	4.42%	\$115,002,061	3.87%

- From 2015 to 2016, the number of returned checks recovered increased 0.81 percent.

Summary Report:
California Deferred Deposit Transaction Law – Annual Report and Industry Survey

CDDTL Historical Data - Returned Checks (Continued)

Returned Checks Charged Off

	Total number of returned checks charged off (includes partial balances) in deferred deposit transactions	Total number of returned checks charged off (including partial balances) in deferred deposit transactions as percentage of total number of deferred deposit transactions	Total dollar amount of returned checks charged off (includes partial balances) in deferred deposit transactions	Total dollar amount of returned checks charged off (including partial balances) in deferred deposit transactions as percentage of total dollar amount of deferred deposit transactions
2016	547,996	4.76%	\$143,437,586	4.57%
2015	380,925	3.11%	\$92,891,127	2.23%
2014	376,728	3.04%	\$99,586,657	2.95%
2013	336,780	2.77%	\$88,390,920	2.79%
2012	289,982	2.37%	\$73,647,144	2.28%
2011	285,555	2.30%	\$72,367,689	2.21%
2010	180,020	2.32%	\$70,937,735	2.27%
2009	280,233	2.38%	\$72,023,747	2.33%
2008	321,555	2.72%	\$81,783,721	2.67%
2007	355,804	3.19%	\$85,683,626	2.89%

- The dollar amount of deferred deposit charge-offs increased 54.4 percent to \$143.4 million in 2016, compared to \$92.9 million in 2015. The number of returned checks charged off also surged by 43.9 percent over the same period.

Summary Report:
California Deferred Deposit Transaction Law – Annual Report and Industry Survey

CDDTL Historical Data - Licensing

The information below reflects licensing activity for calendar years 2007 through 2016. The long form application refers to the first license applied for under the CDDTL. The short form application refers to a license for an additional business location. Applications are subject to abandonment if a deficiency is not corrected within 90 days of notification. Applications can be withdrawn at the request of the applicant.

Licensed Locations

	Number
2016	1,854
2015	1,969
2014	2,014
2013	2,058
2012	2,100
2011	2,119
2010	2,144
2009	2,187
2008	2,385
2007	2,403

The information on this table shows there has been a steady decline in the number of licensed locations. From 2007 to 2016, the number dropped by 549, or 22.85 percent.

Applications Filed

	Long Form Applications Filed	Short Form Applications Filed	Total Applications Filed
2016	17	51	68
2015	19	29	48
2014	35	125	160
2013	38	67	105
2012	29	61	90
2011	32	48	80
2010	33	123	156
2009	53	47	100
2008	56	197	253
2007	69	251	320

Summary Report:
California Deferred Deposit Transaction Law – Annual Report and Industry Survey

CDDTL Historical Data - Licensing (continued)

Applications Denied / Abandoned

	Long Form Applications Denied	Short Form Applications Denied	Total Applications Denied
2016	0	0	0
2015	0	0	0
2014	0	0	0
2013	1	0	1
2012	0	0	0
2011	0	0	0
2010	0	0	0
2009	0	1	1
2008	0	3	3
2007	0	2	2

	Long Form Applications Abandoned	Short Form Applications Abandoned	Total Applications Abandoned
2016	1	0	1
2015	3	0	3
2014	2	0	2
2013	0	0	0
2012	1	0	1
2011	1	0	1
2010	2	1	3
2009	3	0	3
2008	3	20	23
2007	8	0	8

Summary Report:
California Deferred Deposit Transaction Law – Annual Report and Industry Survey

CDDTL Historical Data - Licensing (continued)

Applications Withdrawn / Licenses Surrendered

	Long Form Applications Withdrawn	Short Form Applications Withdrawn	Total Applications Withdrawn
2016	2	4	6
2015	4	1	5
2014	2	7	9
2013	0	1	1
2012	1	0	1
2011	4	0	4
2010	1	5	6
2009	3	1	4
2008	6	10	16
2007	1	15	16

	Long Form Licenses Surrendered	Short Form Licenses Surrendered	Total Licenses Surrendered
2016	39	136	175
2015	41	92	133
2014	45	52	97
2013	34	94	128
2012	31	67	98
2011	31	75	106
2010	54	104	158
2009	64	216	280
2008	68	154	222
2007	93	272	365

PART II: CONSOLIDATED INDUSTRY SURVEY

INTRODUCTION

In January 2017, the Department provided the *California Deferred Deposit Transaction Law – 2017* Industry Survey to all licensed deferred deposit originators.

The survey allows the Department to gather up-to-date information on transaction activities in order to assess the financial health and compliance practices of California’s licensed deferred deposit originators, as well as potential consumer risks. The industry survey collected information on licensees’ activities in calendar year 2016 related to the following:

- Volume of transactions per customer
- Customer ages and income levels
- Internet transactions
- Lead generators
- Disbursements to customers
- Payments from customers
- Collections
- Fees
- Subsequent transactions by the same borrower
- Transactions with customers who receive government assistance
- Dishonored checks
- Dispute arbitration
- Active military customers

Due to continuous fluctuations in the licensee population and the differences in response rates, data included in this survey report does not match data in the annual report (Part I of this Summary Report).

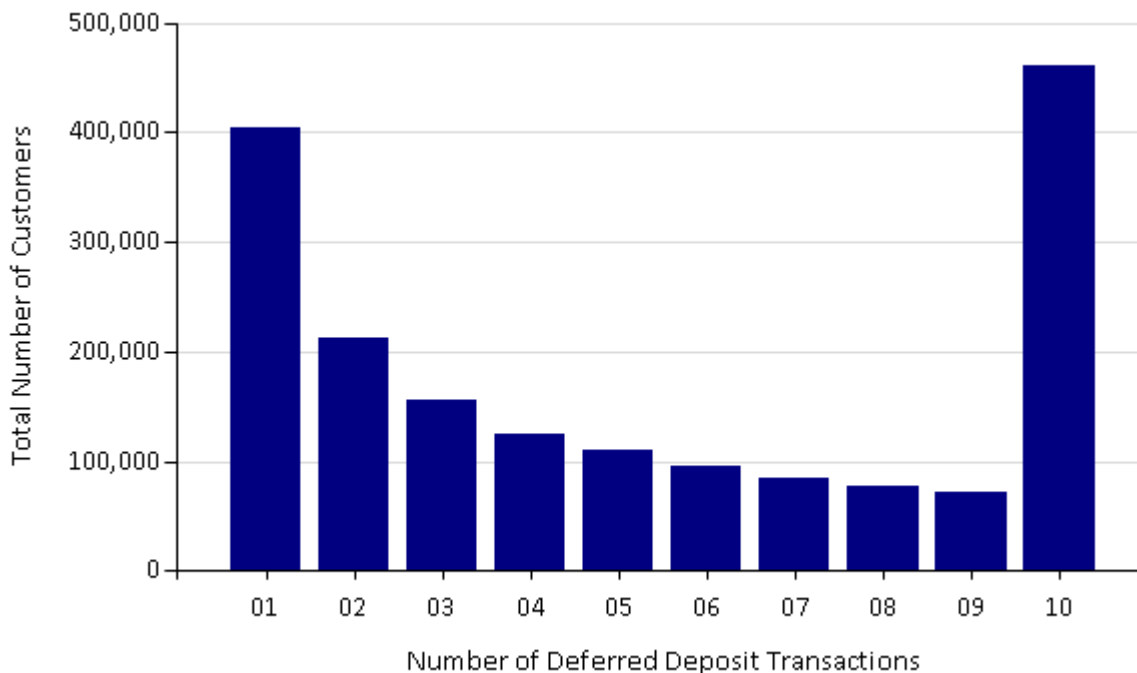
Summary Report:
California Deferred Deposit Transaction Law – Annual Report and Industry Survey

Deferred Deposit Transaction Volumes Per Customer

- Questions one through ten of the Industry Survey asked licensees to report the number of customers who obtained a specified number of transactions during 2016. The table and graph below provide the aggregated response data for each question.

Total Number of Customers by Number of Transactions

Source: Survey questions 1-10

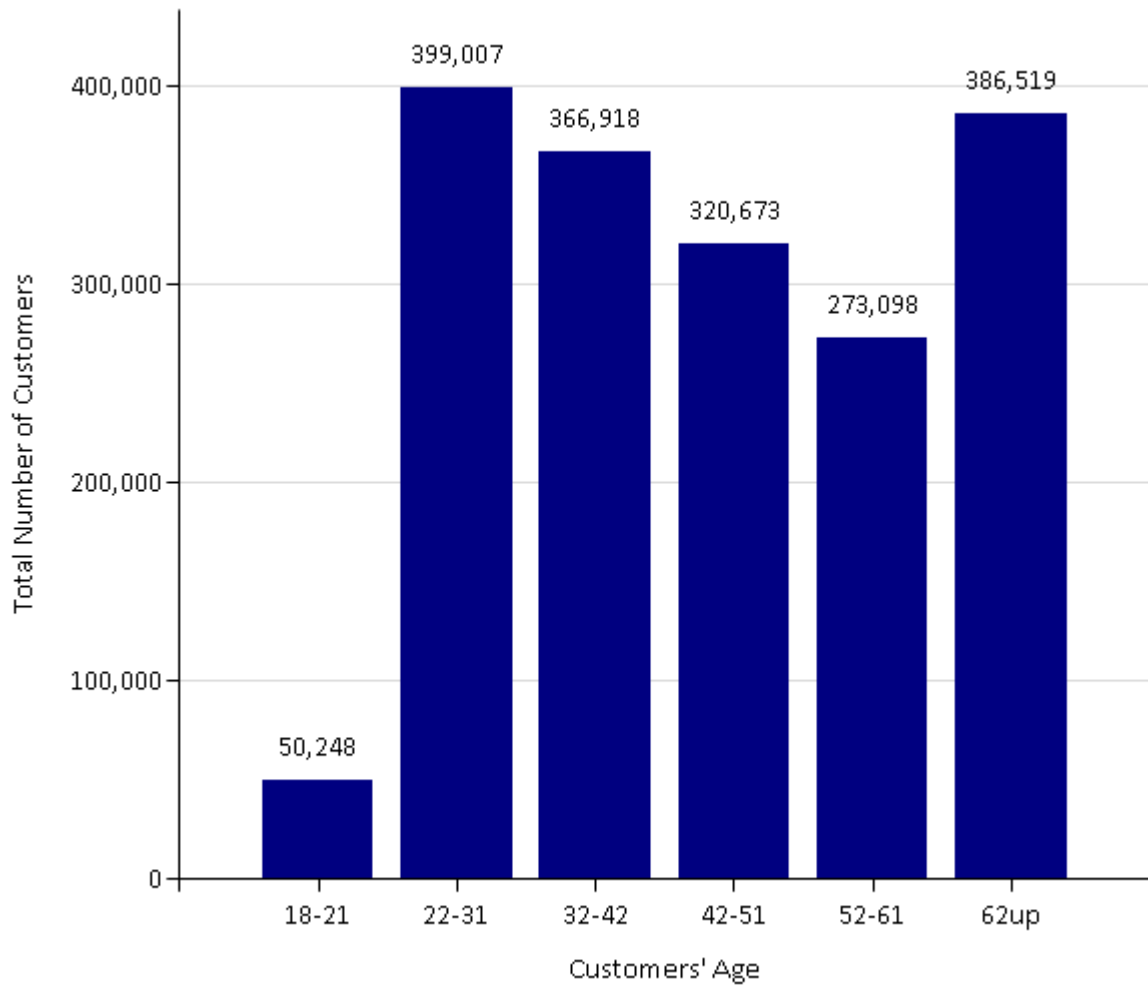


Question Number	1	2	3	4	5	6	7	8	9	10
Question Text	Obtained 1 deferred deposit transaction	Obtained 2 deferred deposit transactions	Obtained 3 deferred deposit transactions	Obtained 4 deferred deposit transactions	Obtained 5 deferred deposit transactions	Obtained 6 deferred deposit transactions	Obtained 7 deferred deposit transactions	Obtained 8 deferred deposit transactions	Obtained 9 deferred deposit transactions	Obtained 10 deferred deposit transactions
Totals	403,441	212,655	155,668	125,414	110,034	94,697	85,002	77,992	71,039	460,521

Customer Age

Number of Customers by Customers' Age

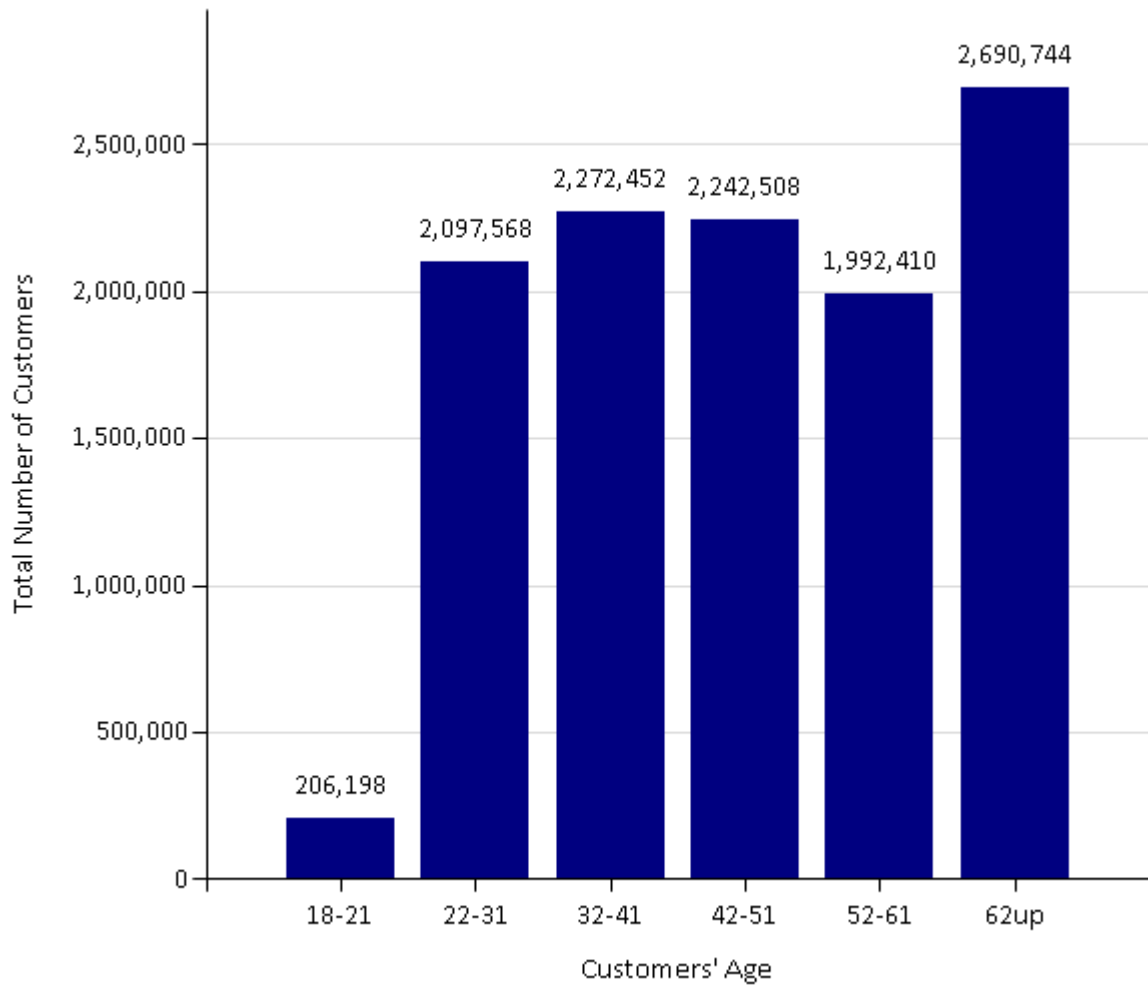
Source: Survey questions 12-17



Customer Age (continued)

Number of Transactions by Customers' Age

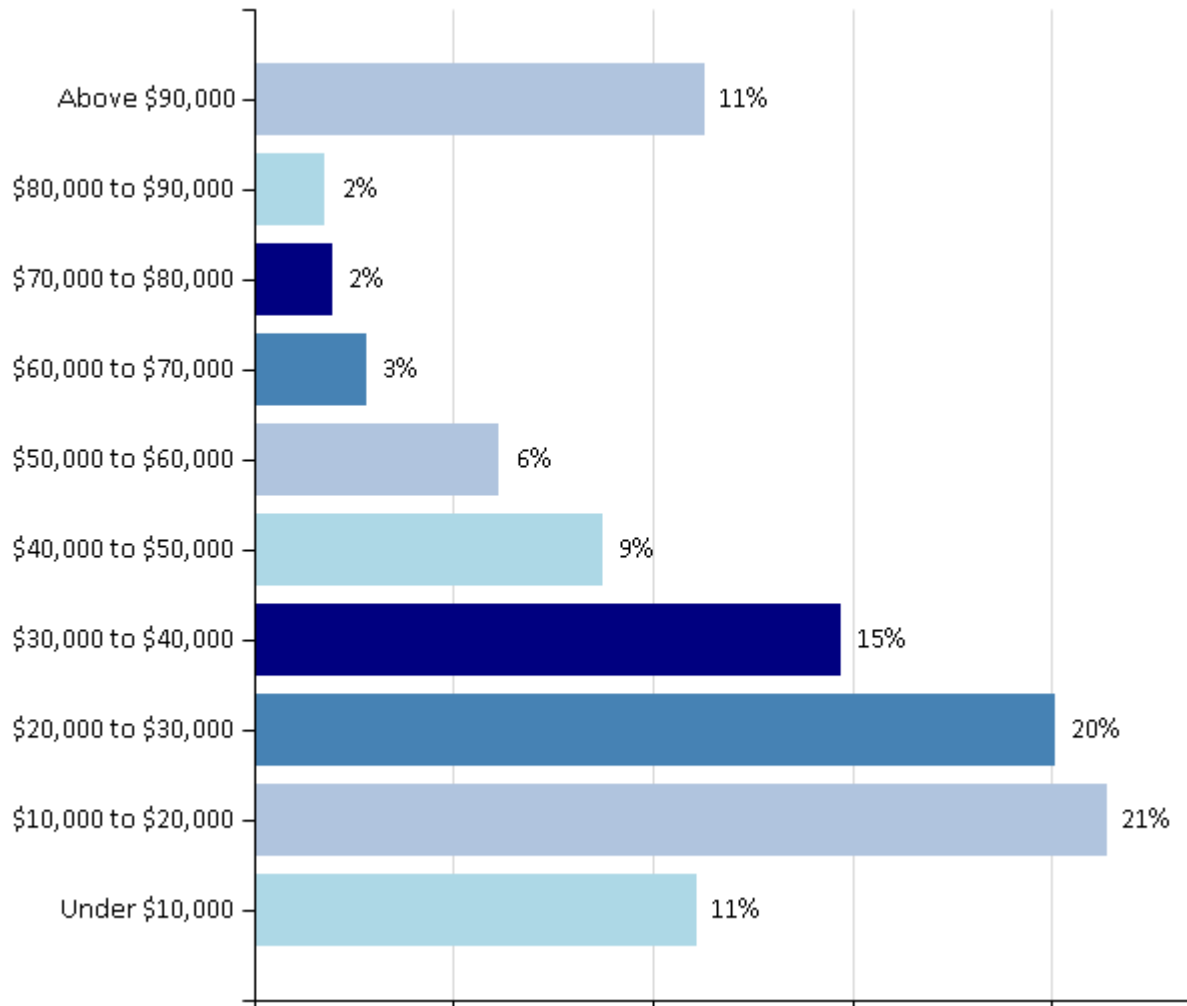
Source: Survey questions 19-24



Summary Report:
California Deferred Deposit Transaction Law – Annual Report and Industry Survey

Customer Income

Average Annual Income
Source: Survey question 26-35

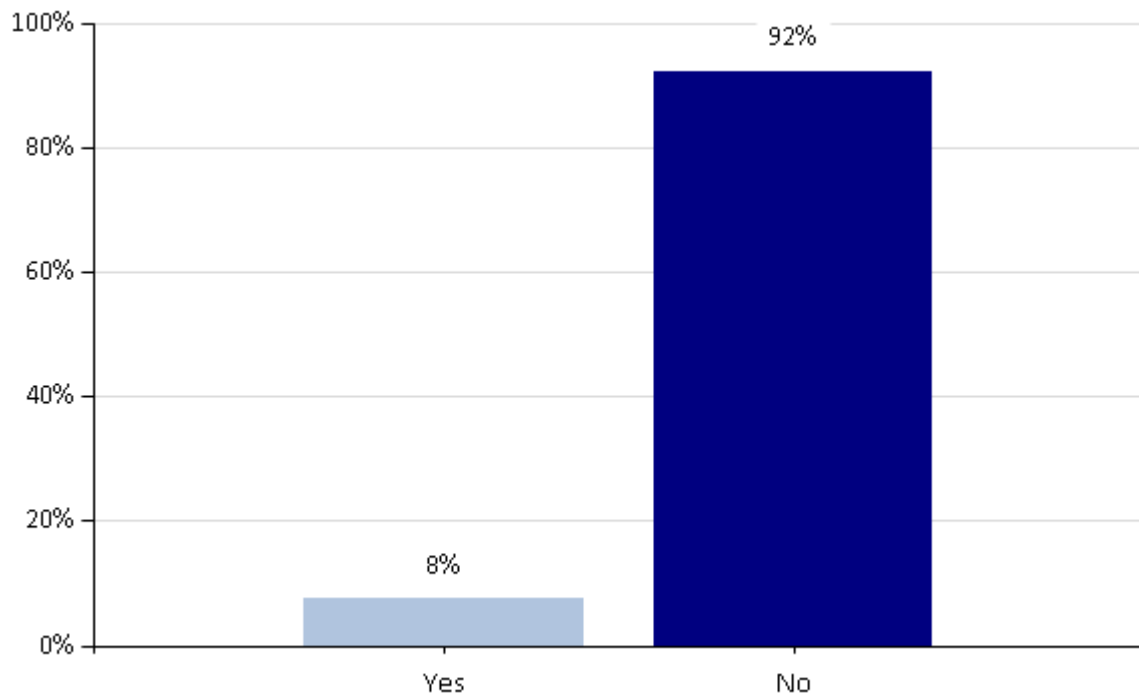


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Internet Transactions

Percentage of Payday Lenders Conducting Transactions on Internet

Source: Survey question 37



Internet Transaction Volumes and Amounts

Source: Survey questions 38 – 40

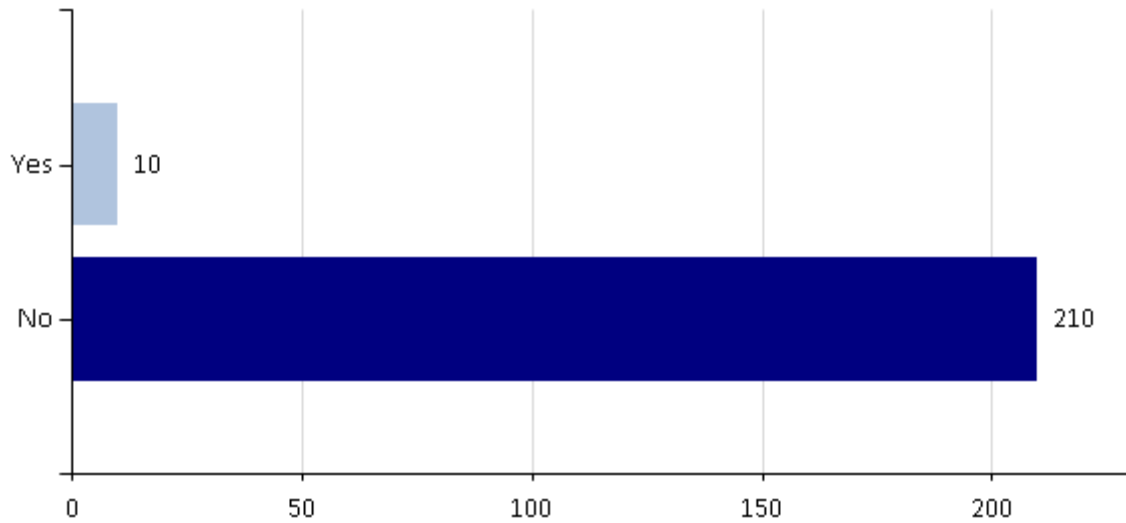
	2016
Number of Customers	429,693
Number of Transactions	2,045,529
Transaction Amounts	\$530,777,146

Summary Report:
California Deferred Deposit Transaction Law – Annual Report and Industry Survey

Lead Generators

Number of Payday Lenders Using Lead Generators

Source: Survey question 41



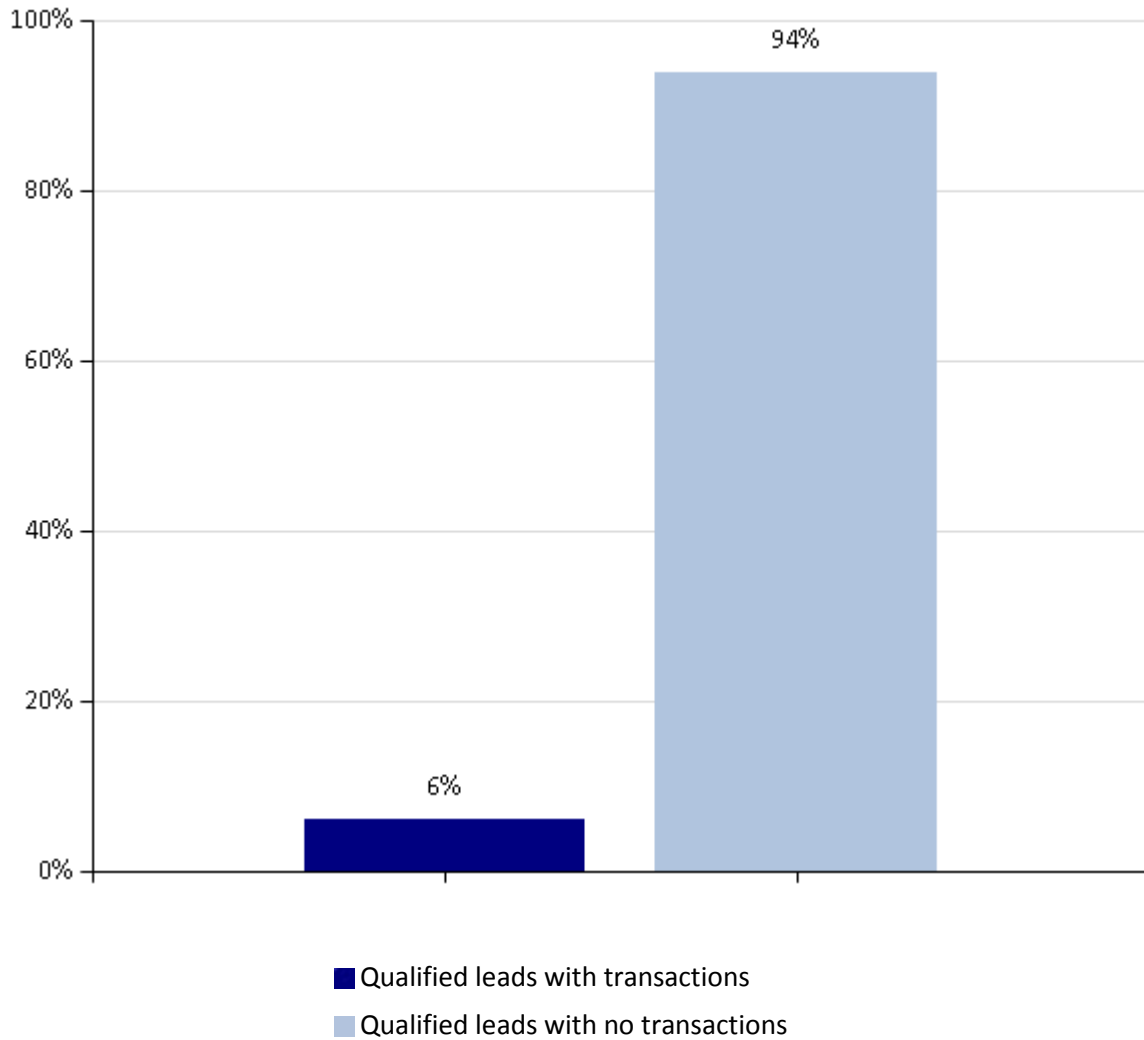
Lead Generator Fees

Source: Survey questions 43 and 44

	2016
Fees Paid to Lead Generators	\$6,057,166
Number of Customers who Made Deferred Deposit Transactions that Resulted from Leads	111,984

Lead Generators (continued)

Percentage of Qualified Leads Resulting in Transactions
Source: Survey question 43 & Annual Report question 3

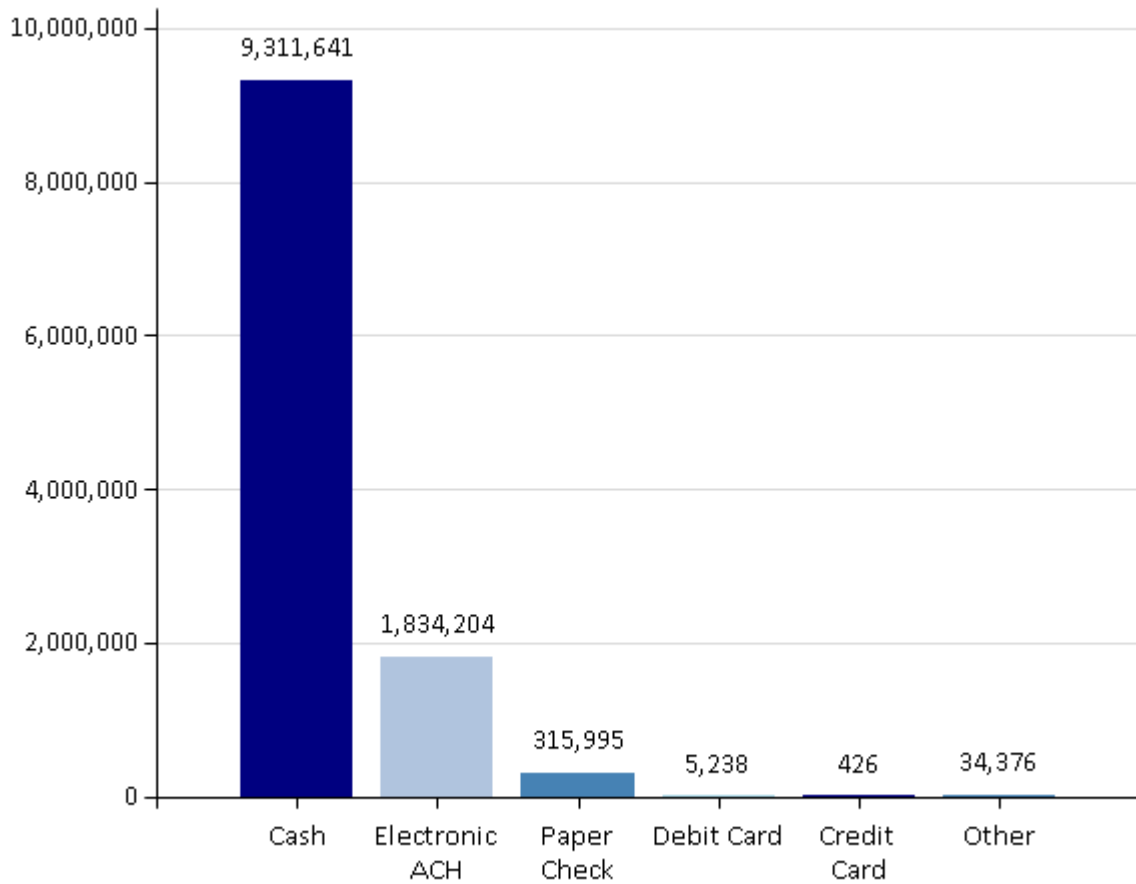


- Six (6) percent of 1,796,463 customers who obtained deferred deposit transactions were referred by lead generators.

Disbursements to Customers

Number of Disbursements to Customers

Source: Survey question 54

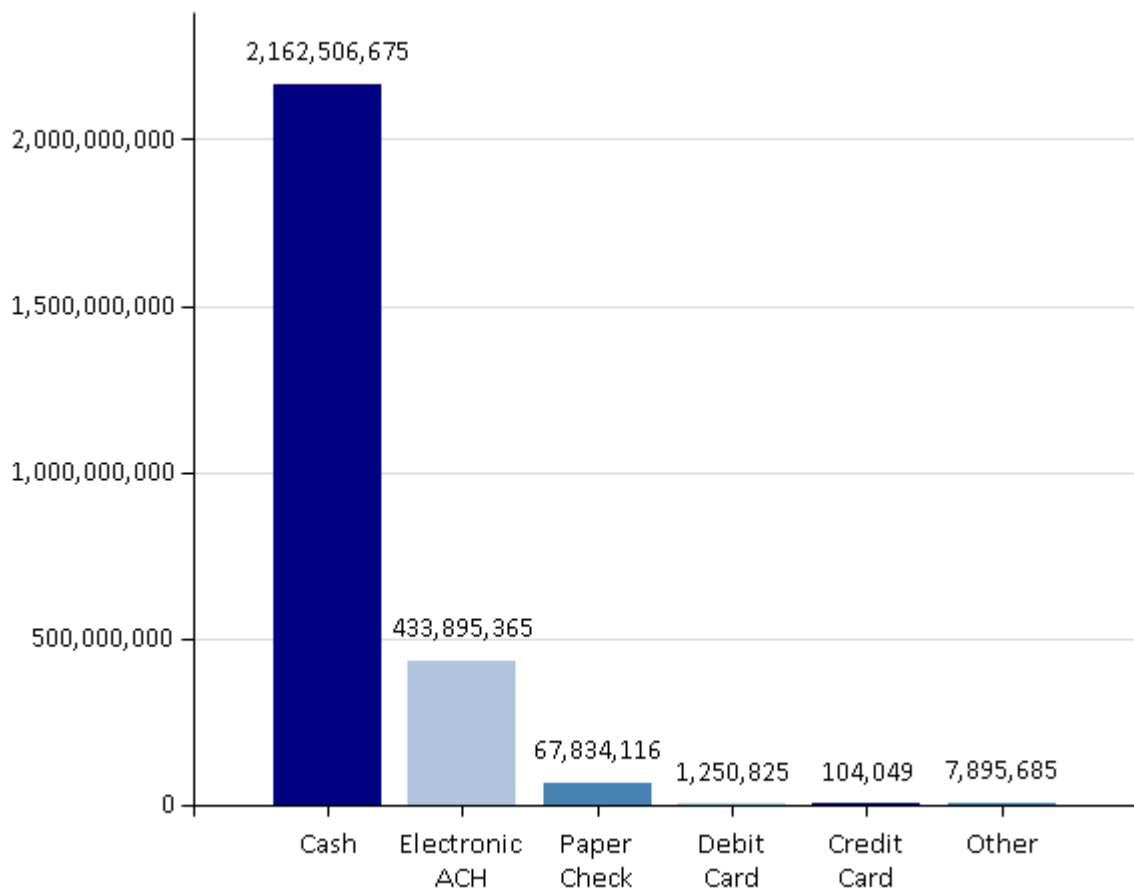


Of the disbursements above, Cash represented 81 percent; Electronic ACH, 16 percent; Paper Check, 2.7 percent; Debit Card, 0.05 percent; Credit Card, 0.004 percent; and Other, 0.3 percent.

Disbursements to Customers (continued)

Dollar Amount of Disbursements to Customers

Source: Survey question 55

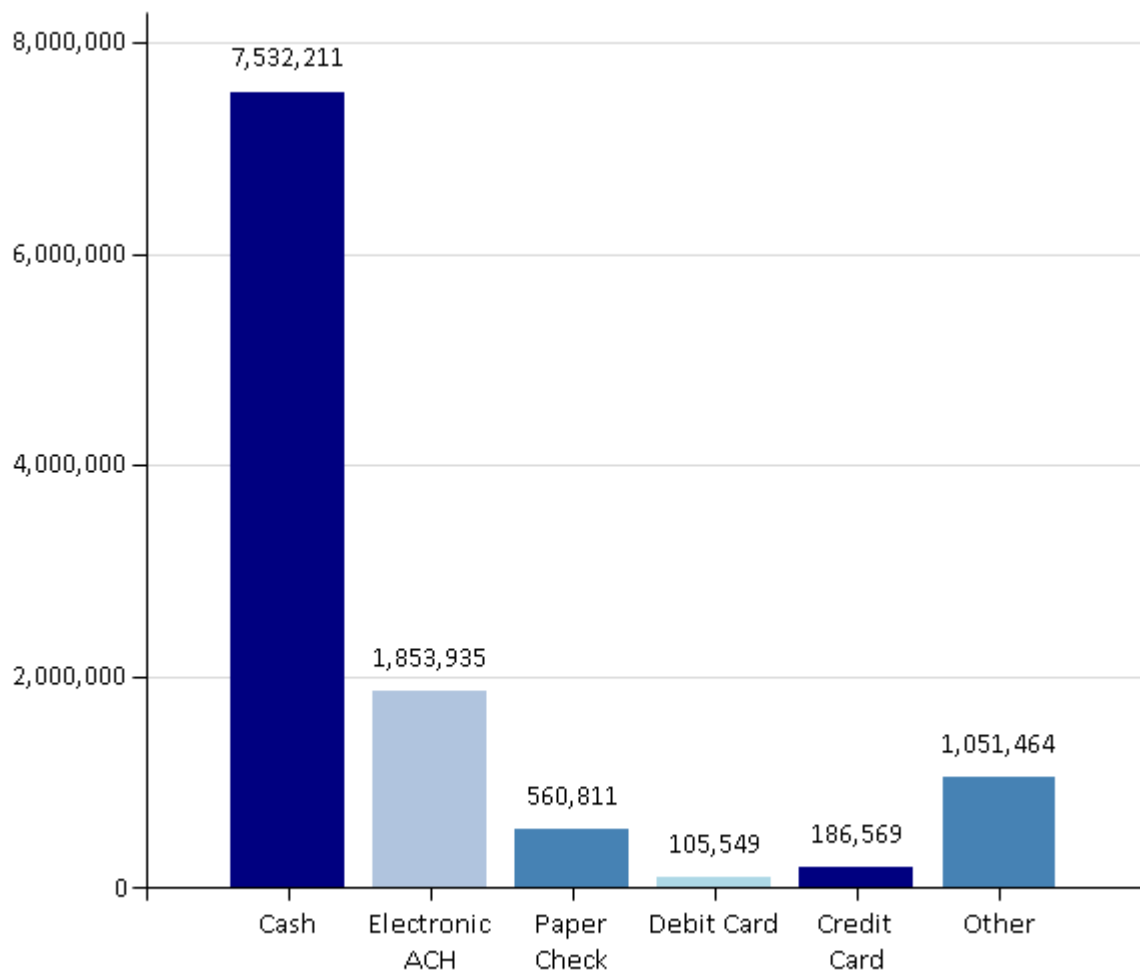


- Licensees described the “Other” category as wire transfers.
- Of the disbursements above, Cash represented 80.9 percent; Electronic ACH, 16.2 percent; Paper Check, 2.5 percent; Debit Card, 0.05 percent; Credit Card, 0.004 percent; and Other, 0.3 percent.

Payments from Customers

Number of Payments from Customers

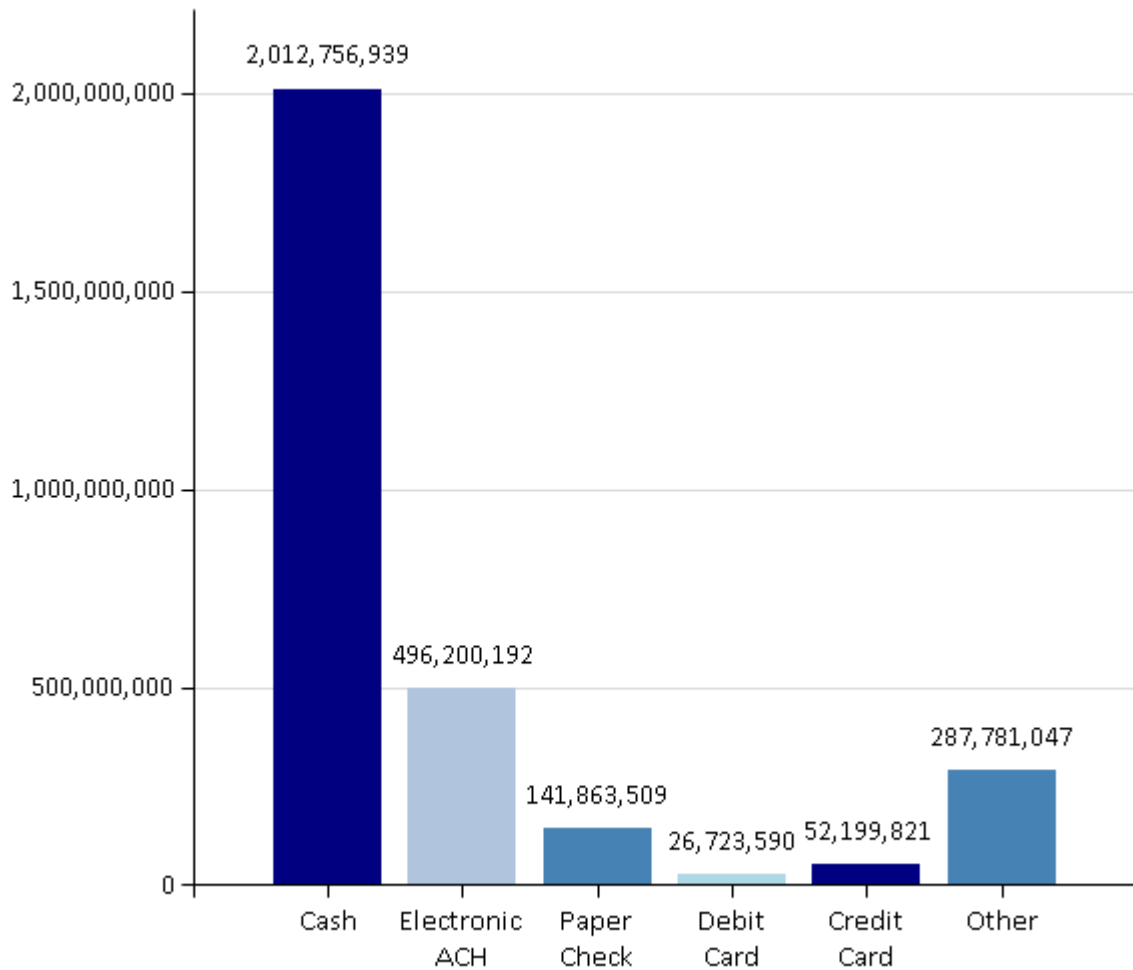
Source: Survey question 58



- Cash accounted for 66.7 percent of customer payments; Electronic ACH, 16.4 percent; Paper Check, 5 percent; Debit Card, 0.94 percent; Credit Card, 1.65 percent; and Other, 9.3 percent.

Payments from Customers (continued)

Amount of Payments from Customers
Source: Survey question 59



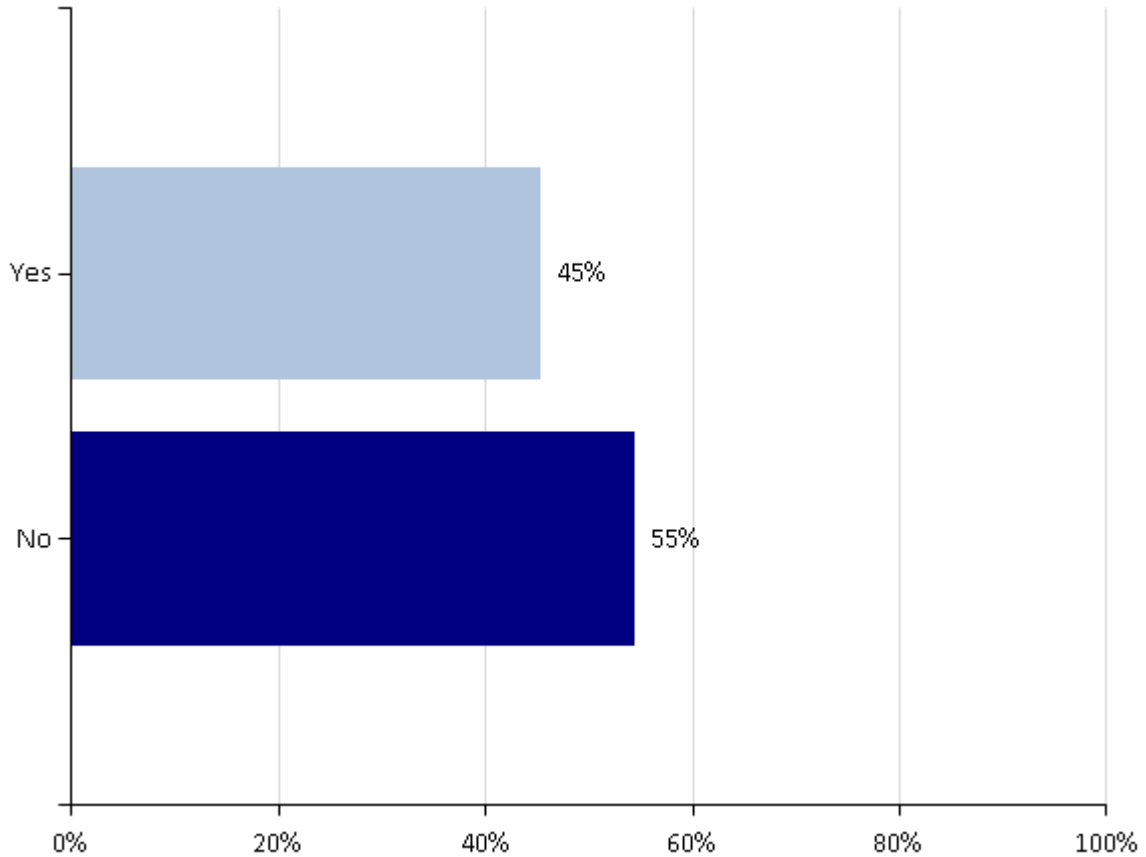
- Of the payments above, Cash represented 66.7 percent; Electronic ACH, 16.44 percent; Paper Check, 4.7 percent; Debit Card, 0.89 percent; Credit Card, 1.73 percent; and Other, 9.54 percent.

Summary Report:
California Deferred Deposit Transaction Law – Annual Report and Industry Survey

Payments from Customers (continued)

Percentage of Payday Lenders Offering Written Payment Plan

Source: Survey question 61



Payment Plan Volumes and Days for Repayment

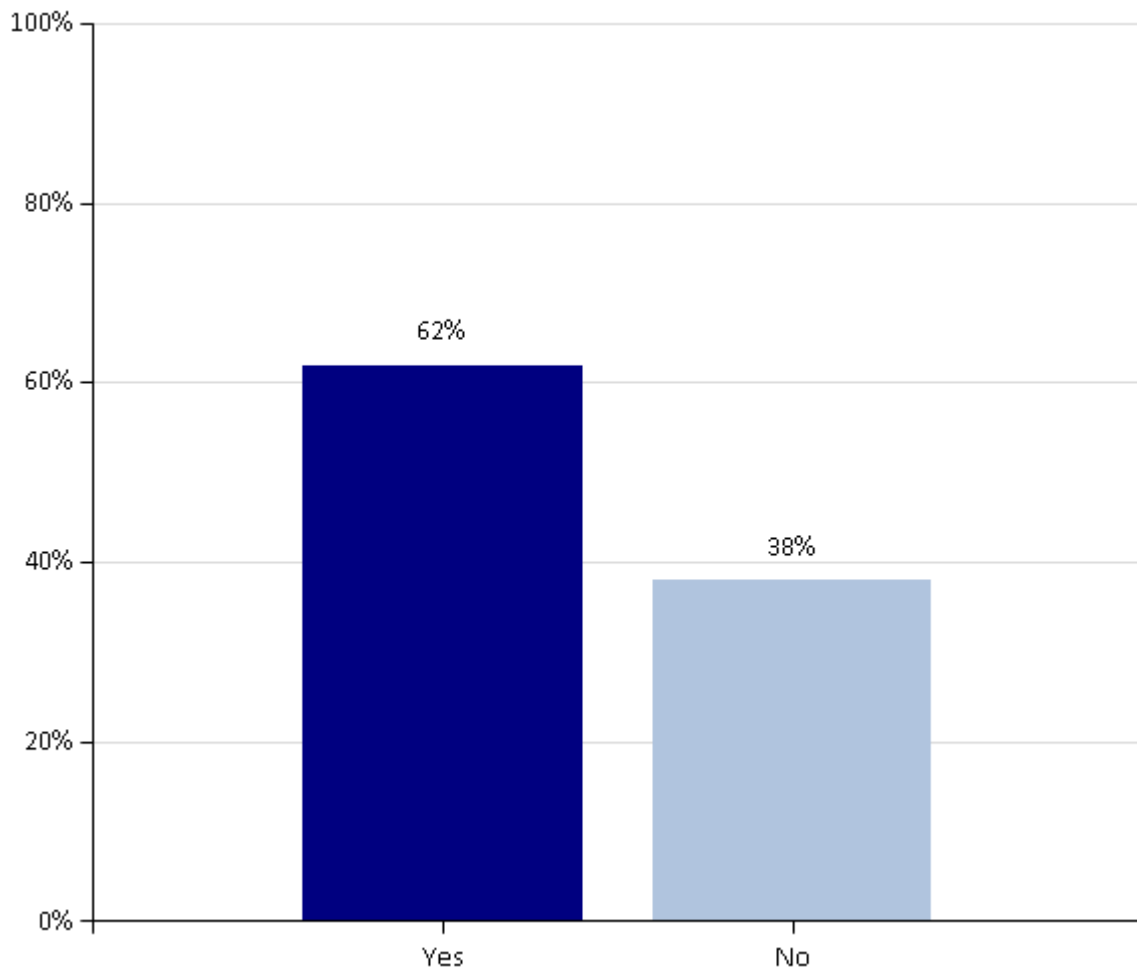
Source: Survey questions 61-64

	2016
Total Dollar Amount of Outstanding Payment Plans	\$19,554,941
Total Number of Outstanding Payment Plans	65,463
Average Maximum Days for Repayment	179

Collections

Percentage of Licensees with In-House Collections

Source: Survey question 66

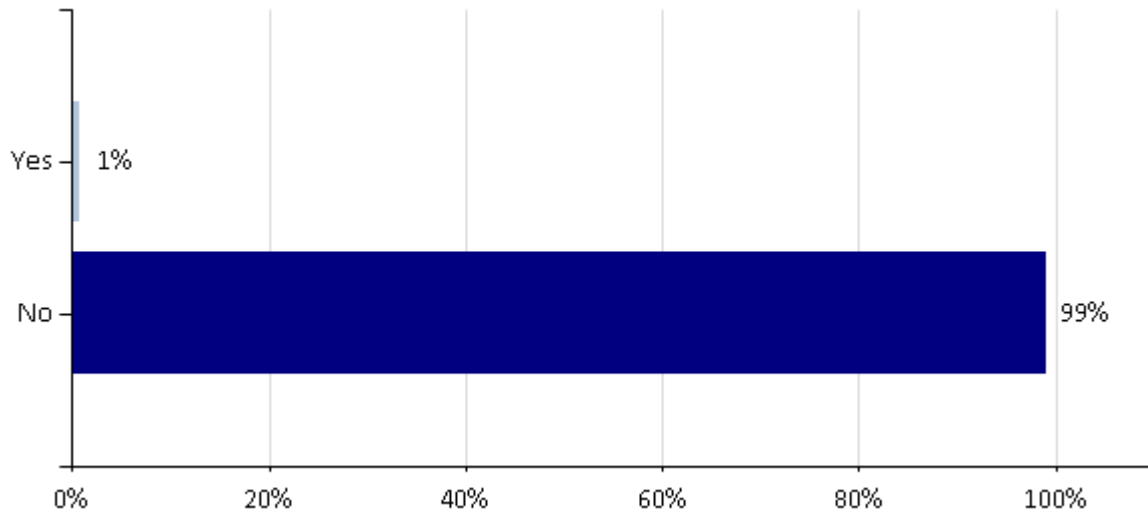


- A total of 245,773 customers were not in a payment plan and paid in full as a result of in-house collections in 2016. Those customers accounted for 563,613 transactions. (Source: Survey questions 67 and 68)
- The total dollar amount of 2016 transactions not in a payment plan that were paid in full as a result of in-house collections was approximately \$140,579,245. (Source: Survey question 69)
- Collection agencies are required to have a local business license to operate and are not licensed by the DBO. Several laws regulate debt collection companies in California, including the Fair Debt Collection Practices Act (FDCPA) administered by the Federal Trade Commission (FTC), and California's Rosenthal Fair Debt Collection Practices Act (Civil Code 1788-1788.33), which is enforced by the California Attorney General.

Collections (continued)

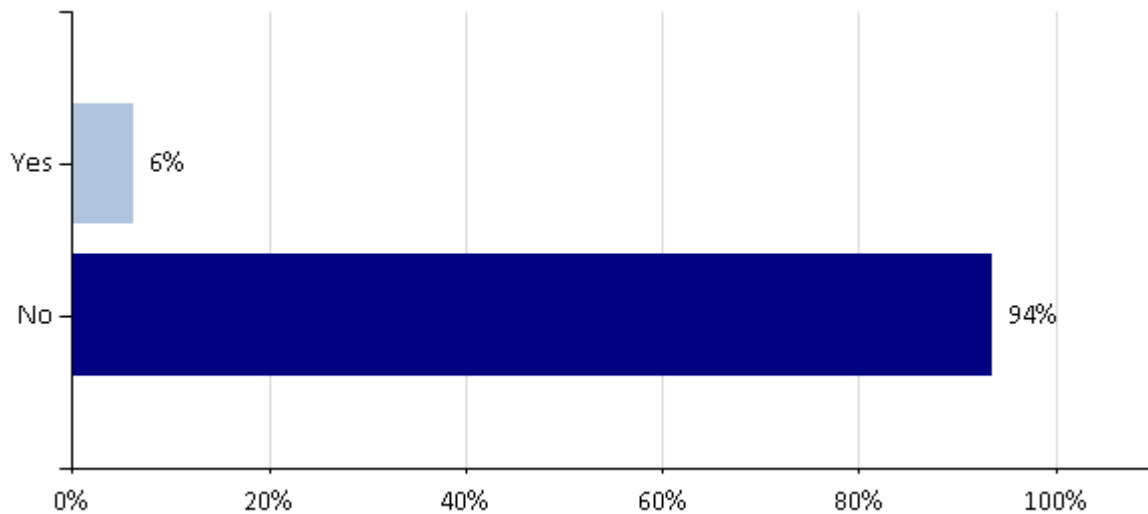
Percentage of Licensees That Own Outside Collection Agency

Source: Survey question 70



Percentage of Licensees Associated with Outside Collection Agency

Source: Survey question 71



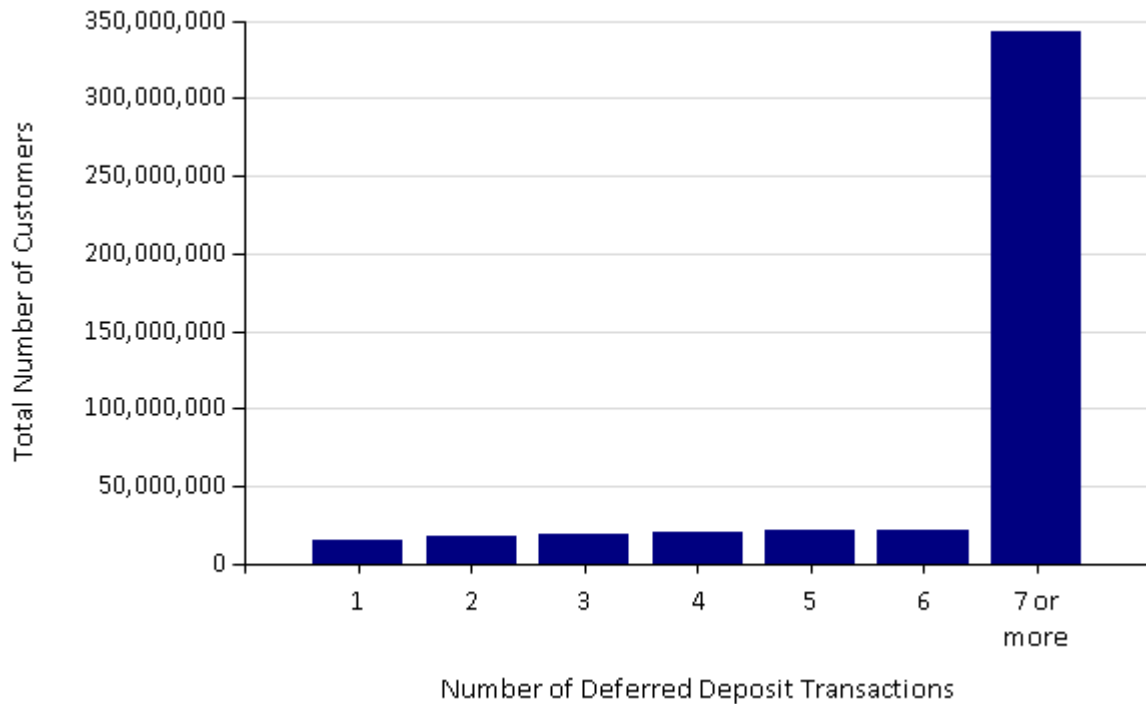
Summary Report:
California Deferred Deposit Transaction Law – Annual Report and Industry Survey

Fees

Respondent licensees collected \$467.2 million in fees on deferred deposit transactions originated in 2016. Licensees provided a breakdown of \$458.5 million of the fees. Of that total, 74.8 percent – \$343 million – came from customers who made seven or more transactions during the year.

Deferred Deposit Transaction Fees per Financial Code section 23036(a)

Source: Survey questions 76-82



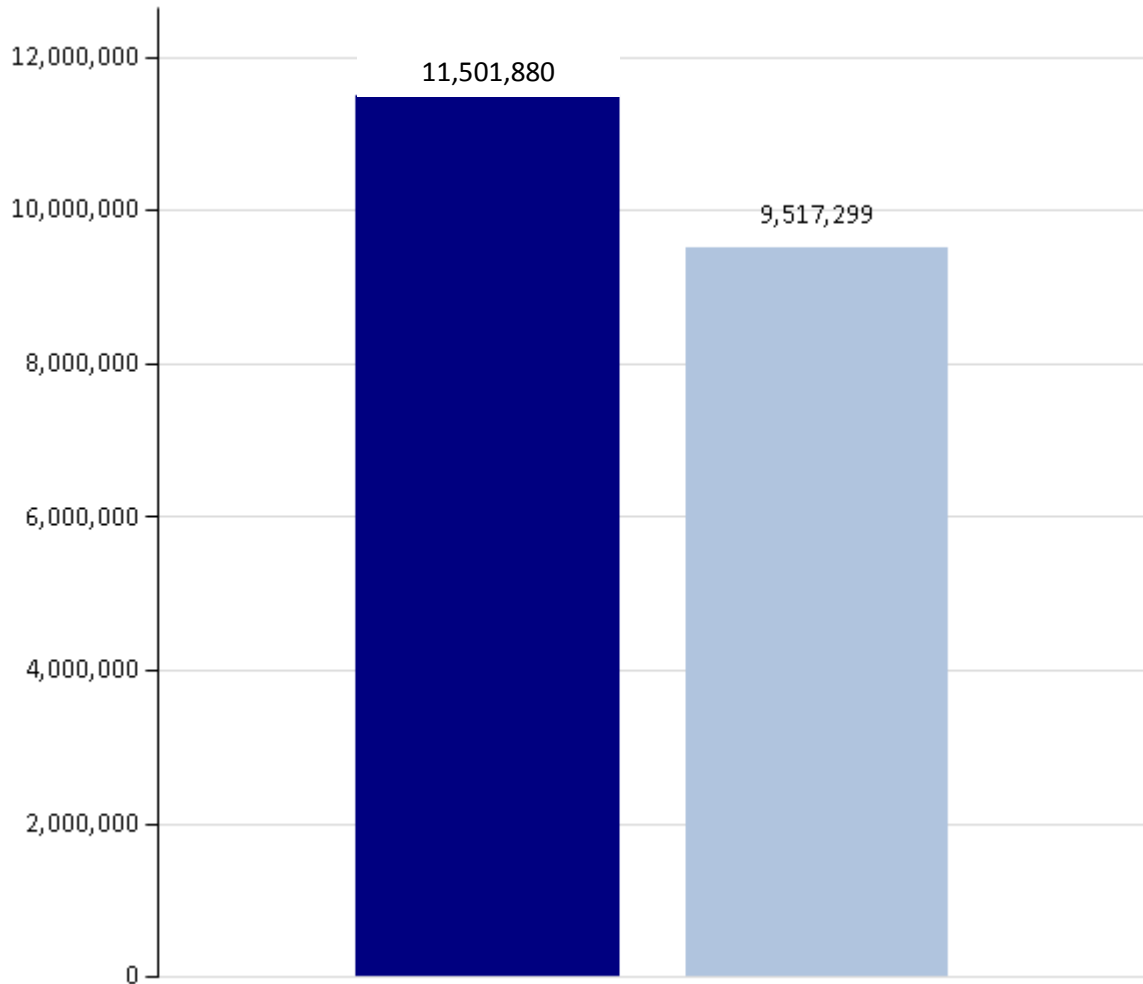
Question Number	76	77	78	79	80	81	82
Question	Transaction fees collected from customers who made 1 deferred deposit transaction	Transaction fees collected from customers who made 2 deferred deposit transactions	Transaction fees collected from customers who made 3 deferred deposit transactions	Transaction fees collected from customers who made 4 deferred deposit transactions	Transaction fees collected from customers who made 5 deferred deposit transactions	Transaction fees collected from customers who made 6 deferred deposit transactions	Transaction fees collected from customers who made 7 or more deferred deposit transactions
Totals	\$15,780,009	\$17,449,284	\$18,715,049	\$19,808,719	\$21,558,000	\$22,138,952	\$343,011,175

- Approximately 2 percent of the total transaction fees reported were not included in data for subsequent fee-related questions due to difficulty in obtaining the breakdown of data from some licensees.

Subsequent Customers

Subsequent Transactions by Same Borrower: Number

Source: Survey questions 83 and 84



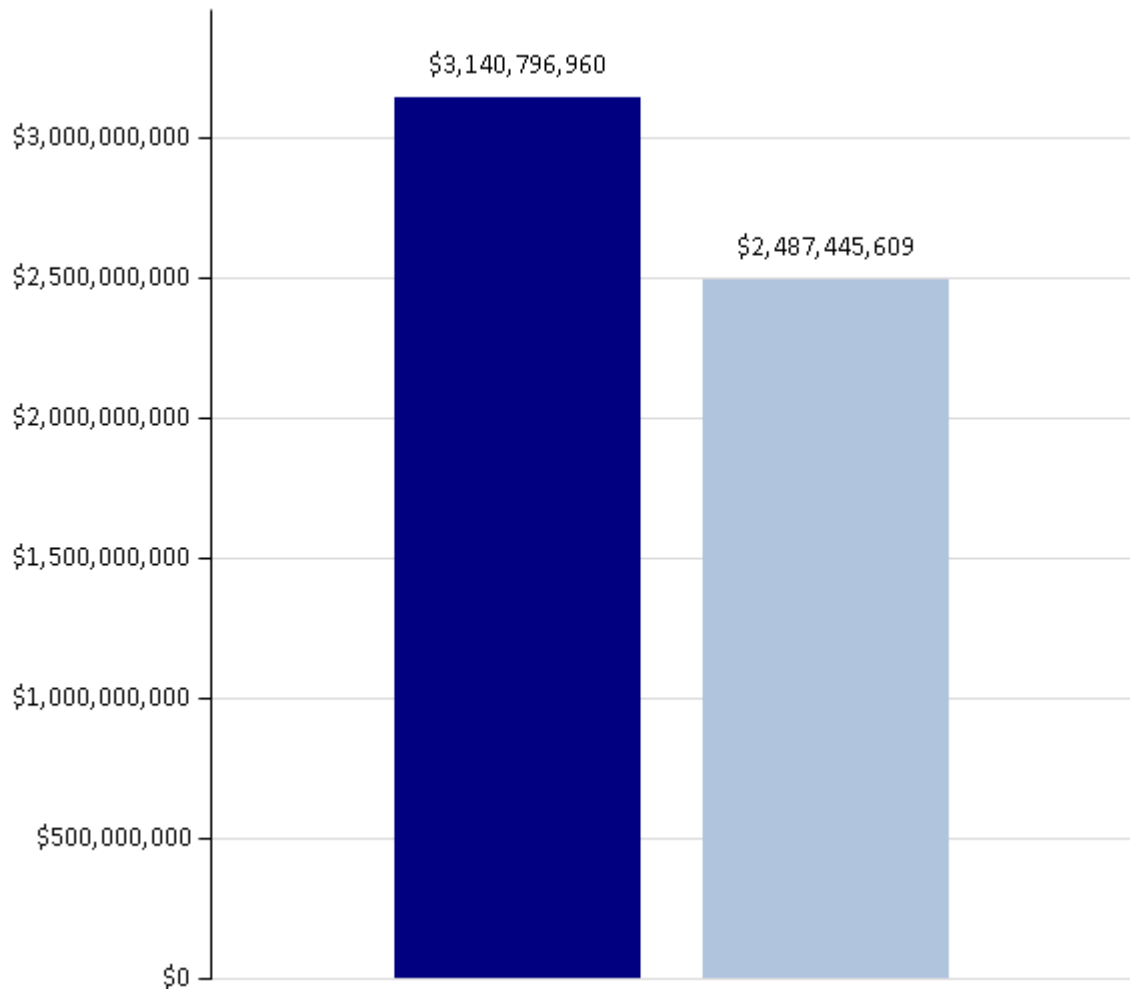
- Number of all deferred deposit transactions
- Number of subsequent transactions by same borrower

- Of the 11.5 million deferred deposit transactions reported for 2016, 83 percent were subsequent transactions made by the same borrowers.

Subsequent Customers (continued)

Subsequent Transactions by Same Borrower: Dollar Amount

Source: Survey questions 85 and 86

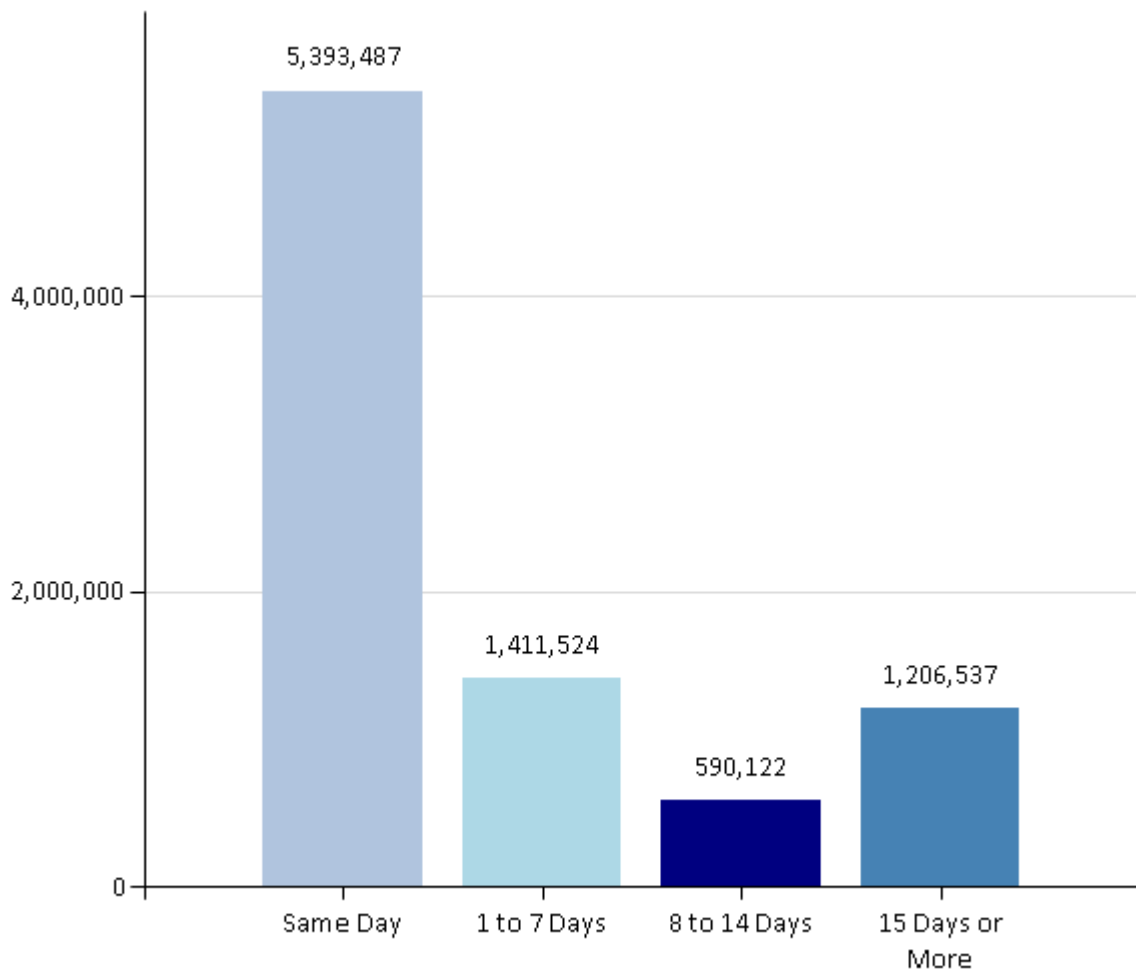


- Dollar amount of all deferred deposit transactions
- Dollar amount of subsequent transactions by same borrower

- Of \$3.14 billion in deferred deposit transactions reported for 2016, 79 percent of total dollar amount represented loans to repeat borrowers.

Subsequent Customers (continued)

Subsequent Transactions by Same Borrowers: Days Between Transactions by Volume
Source: Survey questions 87 - 90



- Of subsequent deferred deposit transactions, 63 percent were made by the same borrowers on the same day the previous transaction closed; 16 percent were made 1 to 7 days later; 7 percent were made 8 to 14 days later, and 14 percent were made 15 days or more after the previous transaction closed. These percentages are based on 8.6 million subsequent transactions for which licensees provided the above breakdown.

Customers Receiving Government Assistance

Loans Made to Customers Receiving Government Assistance

Fifty-two (52) percent of licensees reported customers who received government assistance. Those customers accounted for 8 percent of all customers for those licensees. The table below is a breakdown of customers receiving government assistance. The data excludes 11 licensees that did not conduct any payday lending activities in 2016.

Percentage of Customers Receiving Government Assistance

Source: Survey questions 92 and 93

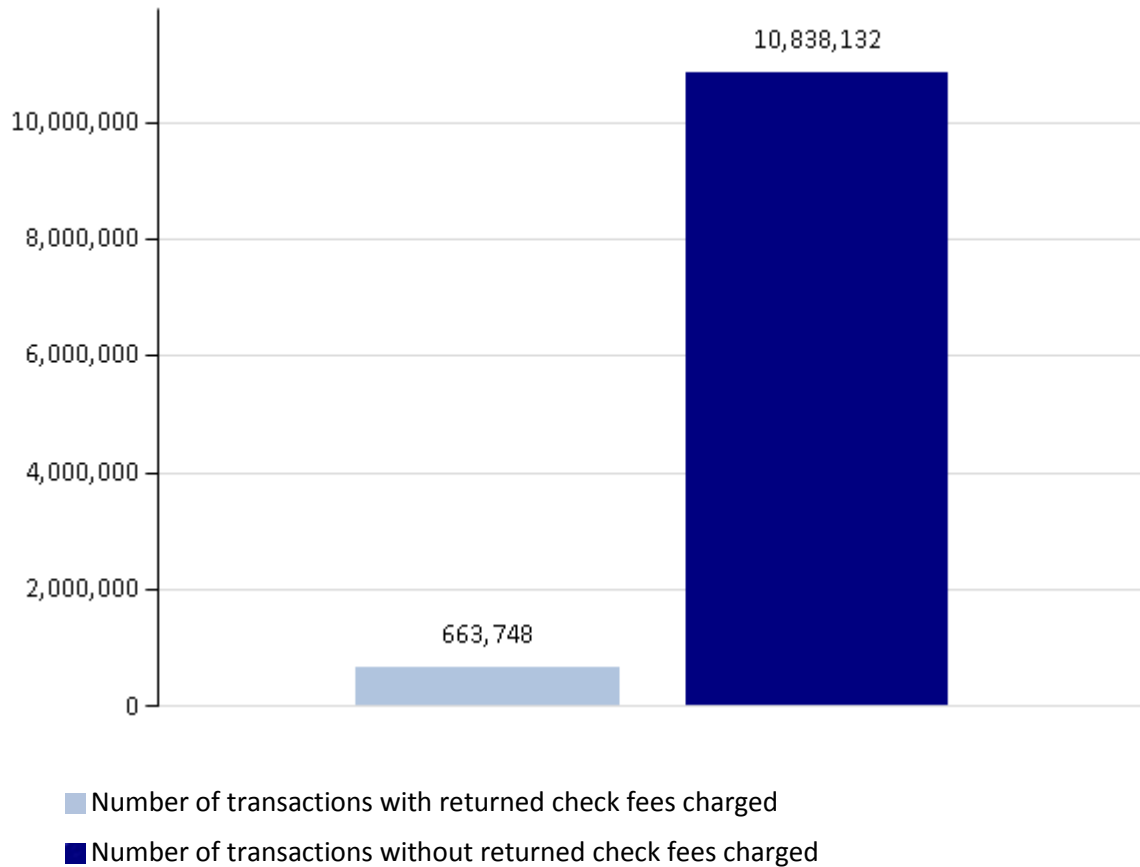
Percentage of customers receiving assistance	Number of licensees
0% to 25%	187
26% to 51%	16
51% and above	6

- Of 11.5 million deferred deposit transactions in 2016, 6 percent resulted in dishonored check fees.

Dishonored Checks

Deferred Deposit Transactions: Dishonored Check Volume

Source: Survey question 94 and Annual Report question

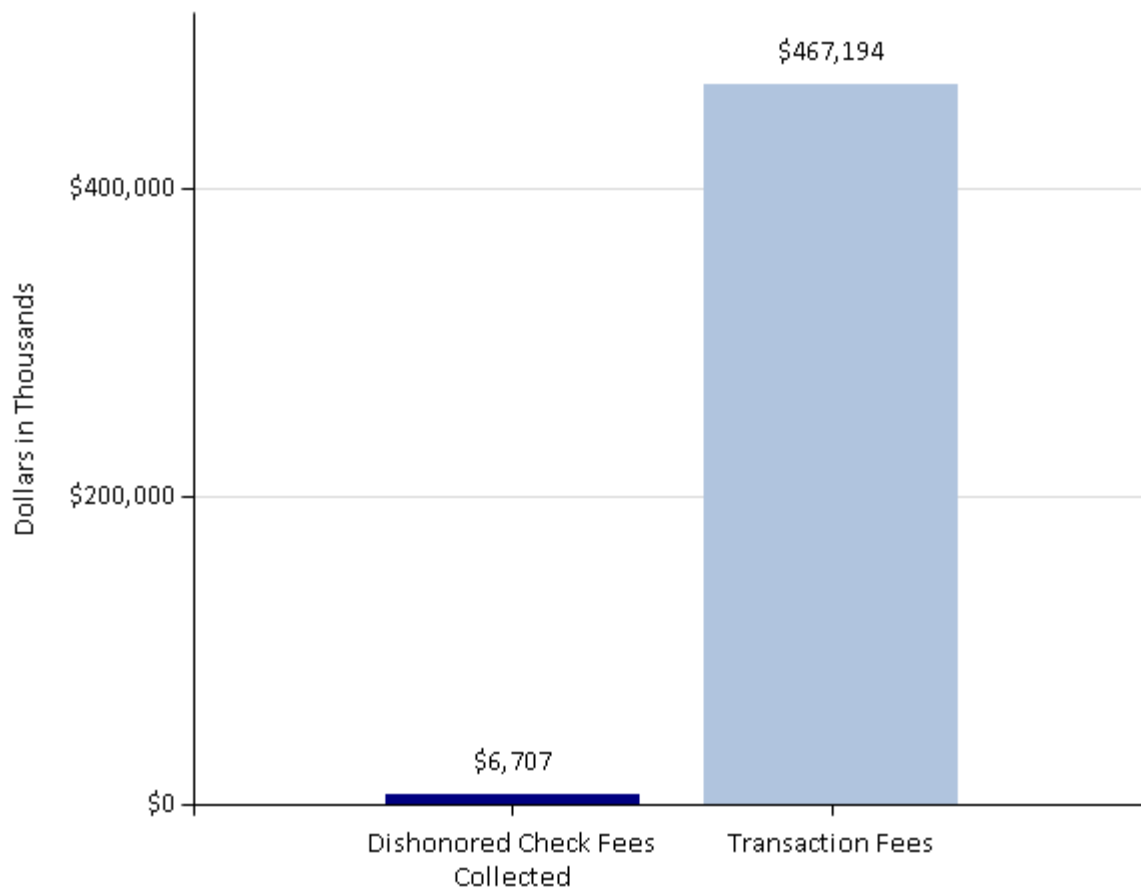


- Of 11.5 million deferred deposit transactions in 2016, 6 percent resulted in dishonored check fees.

Dishonored Check Fees vs. Transaction Fees

Source: Survey questions 75 and 95

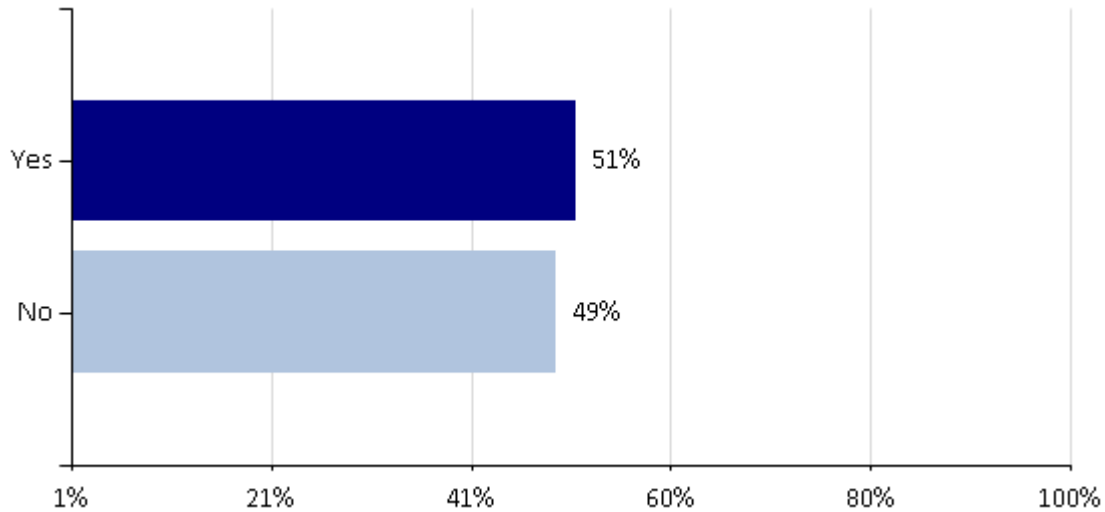
Dishonored Checks (continued)



Dispute Arbitration

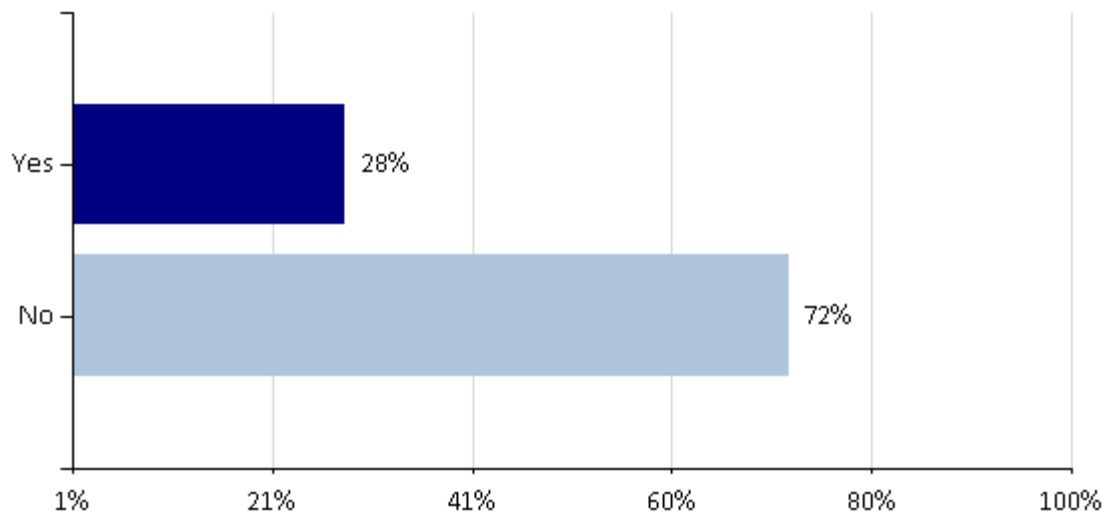
Percentage of Licensees with Dispute Arbitration Clause in Written Agreement

Source: Survey question 96



Percentage of Licensees with Dispute Arbitration Clause in Written Agreement That Prohibits Borrowers from Joining Class Action

Source: Survey question 97



Active Military Customers

Report of Active Military Customers

All 220 reporting licensees indicated that they did not have customers in active military service. Hence, all of the 11,501,880 deferred deposit transactions reported in 2016 were made by non-military customers. (Source: Survey questions 49 - 52)



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