

STATE OF CALIFORNIA – DEPARTMENT OF BUSINESS OVERSIGHT
**APPLICATION FOR THE PILOT PROGRAM FOR
INCREASED ACCESS TO RESPONSIBLE SMALL DOLLAR LOANS**
DBO-CFL 1602 (Rev. 11-17) CFL Pilot Program Application



STATE OF CALIFORNIA
DEPARTMENT OF BUSINESS OVERSIGHT

INFORMATION ON THE APPLICATION FOR
THE PILOT PROGRAM FOR
INCREASED ACCESS TO RESPONSIBLE
SMALL DOLLAR LOANS
UNDER THE CALIFORNIA FINANCING LAW

The following is provided as general information for finance lenders licensed, or seeking licensure under the California Financing Law (CFL), that wish to participate in the Pilot Program for Increased Access to Responsible Small Dollar Loans in accordance with Financial Code section 22366.

GENERAL INFORMATION

Senate Bill 318 (Chap. 467, Stats. 2013) was signed into law on October 1, 2013, and is operative January 1, 2014. The bill created the Pilot Program for Increased Access to Responsible Small Dollar Loans to increase the availability of responsible small dollar installment loans of at least \$300 but less than \$2,500.

Finance lenders who are licensed under the CFL and approved by the Commissioner of Business Oversight (Commissioner) to participate in the program may charge specified alternative interest rates and charges, including an administrative fee and delinquency fees, on loans of at least \$300 but less than \$2,500, subject to certain requirements. Licensees participating in the program are also permitted to use the services of a “finder” as defined in Financial Code section 22371.

LICENSEES UNDER THE FORMER PILOT PROGRAM FOR AFFORDABLE CREDIT-BUILDING OPPORTUNITIES

Effective January 1, 2014, Senate Bill 318 abolished the former Pilot Program for Affordable Credit-Building Opportunities (Senate Bill 1146 – Chap. 640, Stats. 2010). Licensees approved to participate under the former pilot program are transferred to and approved to participate in the Pilot Program for Increased Access to Responsible Small Dollar Loans without filing the application.

ASSISTANCE WITH THE APPLICATION

Refer to these instructions while completing the application for the Pilot Program for Increased Access to Responsible Small Dollar Loans. If you have questions about the application that are not answered by these instructions, call the Department of Business Oversight’s Consumer Services Office at 1-866-275-2677.

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APPLICATION FEES AND MAILING

The application must be accompanied by **NON REFUNDABLE** fees as follows.

NUMBER OF LICENSED FINANCE LENDER LOCATIONS	APPLICATION FEE
1 to 10	\$250
11 to 50	\$450
51 to 100	\$650
Over 100	\$850

Make checks payable to the Department of Business Oversight for the total amount of all fees. The application must be filed with the Los Angeles office of the Department of Business Oversight, located at 320 West 4th Street, Suite 750, Los Angeles, California 90013. Applications which do not include all required information and exhibits will not be processed.

APPLICATION TIMING AND PROCESSING

Within 30 calendar days from the receipt of the application, the Commissioner shall inform the licensee in writing, that the application is complete and the licensee is approved to participate in the program or disapproved, and if disapproved, the reason(s) for disapproval; or that the application is deficient and specify what information is required to complete the application.

Any person seeking to participate in the Pilot Program for Increased Access to Responsible Small Dollar Loans and not already licensed under the California Financing Law must complete a combined application, which consists of the Application for a License Under the California Financing Law under title 10 of the California Code of Regulations section 1422 of these rules and the Application for the Pilot Program for Increased Access to Responsible Small Dollar Loans Under the California Financing Law.

To be eligible to apply in this manner, there must be no outstanding enforcement or other disciplinary actions taken against the person by any of California’s financial regulators or by a financial regulator of another state. The fees required for both applications shall be paid to the Department of Business Oversight at the time the combined application is filed with the Commissioner.

The Commissioner shall concurrently review the combined application and within 45 calendar days from receipt of the combined application, inform the applicant in writing that the application is complete and accepted for filing, or that the application is deficient and specify what information is required to complete the application.

Within 60 calendar days from the filing of a complete application, the Commissioner shall reach a decision on the license and participation in the pilot program.

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CALIFORNIA FINANCING LAW

1. Name of Licensee (or Applicant):

Fictitious Business Name:

2. Mailing Address:

3. Contact Person/Title:

4. Telephone Number: _____ Email address: _____

5. CFL License Number, if licensed under the CFL: _____

Primary Mailing (988) Number, if applicable: _____

6. Are you in good standing with the Commissioner?

Yes

No , please attach an explanation, marked as Exhibit 1, and any documentation.

7. Do you have any outstanding enforcement actions or deficiencies with any government agency at the time of this application?

Yes , please attach an explanation, marked as Exhibit 2, and documentation of the enforcement actions or deficiencies.

No

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8. If you are not licensed under the CFL, do you have any outstanding enforcement or other disciplinary actions taken against you by any of California’s financial regulators or by a financial regulator of another state?

Yes , applicant is not eligible to apply concurrently for a license under the CFL and to participate in the pilot program. Applicant must first apply for a CFL license under title 10 of the California Code of Regulations section 1422.

No , the Application for a License Under the California Financing Law is attached.

9. Has your credit education program or seminar been approved by the Commissioner as required under Financial Code section 22370, subdivision (f)(1)?

Yes , approved by the Commissioner on _____ (month/day/year).

No , attached is the credit education program or seminar, marked as Exhibit 3, for the Commissioner’s review and approval.

No , the credit education program or seminar will be submitted to the Commissioner for review and approval at a later time. Licensee shall not offer any credit education program or seminar that has not been previously reviewed and approved by the Commissioner for use, and licensee shall not disburse loan proceeds to a borrower prior to offering an approved credit education program or seminar to the borrower.

10. Are you a data furnisher with a consumer reporting agency that meets the definition in Section 603, subdivision (p) of the federal Fair Credit Reporting Act (15 U.S.C. § 1681a(p))?

Yes , the following information is provided:

Name of Consumer Reporting Agency

Date Accepted

No , licensee or applicant has not at this time been accepted as a data furnisher. Information is attached, marked as Exhibit 4, for the Commissioner’s review and approval, that 1) licensee will be accepted as a data furnisher, once it achieves a lending volume required of data furnishers of its type by a consumer reporting agency, and 2) lending volume will be achieved within the first six months of the licensee commencing lending.

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11. Will you report to a consumer reporting agency the payment performance of each borrower on all loans made under this program as required under Financial Code section 22370, subdivision(f)(2)?

Yes , licensee or applicant agrees to report all borrower payment performance from inception of lending under the program as soon as practicable after acceptance into the program, but no later than six months after acceptance into the program, and agrees to notify each borrower, as soon as practicable following acceptance as a data furnisher, the name of the consumer reporting agency or agencies to which the borrower's payment history will be reported.

No

12. Do you plan to use the services of a finder as defined under Financial Code section 22371, subdivision (b)?

Yes , please attach a list of the name of the finder(s), marked as Exhibit 5, and a completed Notification to Commissioner of Business Oversight of Finder Registration for each finder, marked as Exhibit 6.

No

13. Attach a list of branch managers by branch location, marked as Exhibit 7.

Is any branch manager responsible for more than one branch location?

Yes , the request to the Commissioner for approval to appoint the branch manager(s) with responsibility for the identified multiple branch locations and the information required under Financial Code section 22378 concerning the centralized nature of underwriting and other key business activities performed by the licensee, is attached for the Commissioner's review, marked as Exhibit 8.

No

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The licensee has duly caused this application to be signed on its behalf by the undersigned, thereunto duly authorized.

The undersigned, on behalf of the licensee, acknowledges that this application and all exhibits thereto are subject to public inspection pursuant to title 10 of the California Code of Regulations section 250.9.1. A request for confidentiality of certain documents may be requested pursuant to title 10 of the California Code of Regulations section 250.10. If a request for confidential treatment is granted (or denied), the person making such request will be notified in writing.

I declare under penalty of perjury that I have read the foregoing application, including Exhibits attached thereto, or filed therewith, and know the contents thereof, and that the statements therein are true and correct. I further declare, on behalf of the licensee, that I have read and understand the Financial Code and regulations pertaining to the California Financing Law and the Pilot Program for Increased Access to Responsible Small Dollar Loans under the California Financing Law.

Executed at:

	_____	_____
	(City, County, State)	(Name of Licensee)
Date:	_____	_____
		(Signature of Declarant)

		(Typed Name of Declarant)

		(Title)