

Monthly Bulletin

California Department of Business Oversight



Volume 6, Number 7

February 2019



2018 Annual Reports for CFL, Responsible Small Dollar Loan Licensees Due March 15

Annual reports for licensees engaged in business under the California Financing Law (CFL) and the Responsible Small Dollar Loan pilot

program for calendar year 2018 must be submitted to the DBO no later than March 15, as required under [Financial Code section 22159\(a\)](#).

No extensions will be granted.

The CFL annual report relies on a web-based filing process and must be completed on the DBO's website via the [self-service portal](#). Paper or mailed submissions will not be accepted and may result in a penalty assessment or constitute grounds for license revocation.

Please note that filing a CFL annual report after the deadline will result in penalty assessments. Pursuant to [Financial Code section 22715\(b\)](#), the penalty shall not exceed \$100 for each of the first five business days a report is overdue, and thereafter shall not exceed \$500 for each business day, not to exceed \$25,000.

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Please also note that the self-service portal will be temporarily closed and not accessible for filing annual reports on March 16, 2019, from 12:01 a.m. until 12 noon PST. Thereafter, the self-service portal will reopen for late filing.

Failure to file a CFL report will result in summary revocation of your license(s) pursuant to [Financial Code section 22715\(a\)](#).

Under [Government Code section 11522](#), a licensee whose license has been revoked or suspended may petition the agency for reinstatement of the license after a period of not less than one year from the date of revocation.

For participating licensees, the 2018 annual report for the [Responsible Small Dollar Loan \(RSDL\) pilot program](#) is also due no later than March 15. Contact CFL.Inquiries@dbo.ca.gov or call (213) 576-7690 with any questions.

Licensees with questions about the CFL report should call (213) 576-7690 or send an email to CFL.Inquiries@dbo.ca.gov.



2018 CDDTL Annual Reports and Industry Surveys Due March 15

All California Deferred Deposit Transaction Law (CDDTL) licensees must submit a 2018 Annual Report and Industry Survey to the DBO by March 15.

The Annual Report and Industry Survey must be completed online through the [DBO self-service portal](#).

To prepare and submit the Annual Report and Industry Survey, all CDDTL licensees are required to have a registered DBO portal account.

The Annual Report and Industry Survey are required by California Financial Code sections [23026](#) and [23015](#).

If you have questions, or need clarification on the instructions, please email RespondToCDDTL@dbo.ca.gov.



2018 CRMLA Annual Reports Due March 1

Licensees under the California Residential Mortgage Lending Act (CRMLA) must file their 2018 annual report electronically by March 1.

A notice about the CRMLA annual report filing was sent to each licensee's designated email address on Dec. 7, 2018, and the DBO posted a reminder to the DBO's [CRMLA webpage](#) on Jan. 7. The annual report must be completed by signing in to the [DBO self-service portal](#).

All CRMLA licensees must file the report by March 1. No extensions will be granted. Missing the deadline may result in penalty assessments. Failure to file constitutes grounds for license revocation.

Email any questions to CRMLA.inquiries@dbo.ca.gov.

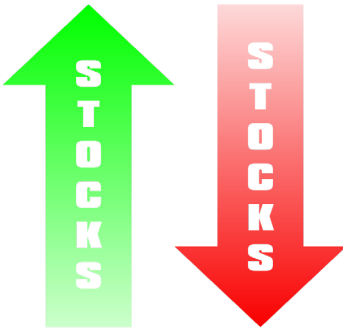


Student Loan Servicing Annual Reports Due March 15

Pursuant to [Financial Code section 28146\(a\)](#) of the Student Loan Servicing Act, each student loan servicer is required to file an annual report with the Commissioner of Business Oversight on or before March 15.

The [Student Loan Servicing Annual Report Form](#) is on the DBO website. A copy of the cover letter sent to student loan servicers is also available on the DBO's [Student Loan Servicing Program page](#).

The Commissioner may impose a financial penalty if a licensee fails to submit a report on time. Reports must be emailed to DBO Student Loan Servicing at StudentLoanServicing@dbo.ca.gov. The email subject line should include company name, NMLS number and the year 2018.



2018 Commissioner's Report on Securities by Permit

The DBO has posted the 2018 [Commissioner's Report on the Offer or Sale of Securities by Permit](#). The report is required annually by [Corporations Code section 25113](#), subdivision (d) and summarizes data collected from small corporations granted permits to offer and sell securities pursuant to section 25113's other provisions. The report includes:

- General categories of investments for which permits were approved.
- Experience and net worth requirements imposed on issuers or sponsors.
- The total amount of money sought to be raised per category.
- Enforcement actions the Commissioner of Business Oversight has taken against permit holders.
- Other information deemed relevant by the Commissioner.



Reminder to Update Credit Union Information

The California Credit Union Law requires every licensee to notify the Commissioner of any changes to the officers of the licensee ([Financial Code, section 457](#)). A credit union must file a report with the Commissioner listing the names of the credit union's officers and officials within 30 days after the board of directors' meeting following the annual meeting of the members ([California Code of Regulations, Title 10, section 30.700](#); [Financial Code, section 14454](#)).

Licensees must also notify the Commissioner no later than 30 days after a change in the manager or chief executive of the credit union. All state-chartered credit unions are required to report the opening, closing or relocation of a branch office within 10 days ([Financial Code, section 14254.5, sub.\(a\)](#)).

These requirements may be satisfied by updating or amending the credit union's profile on the National Credit Union Administration's [CUOnline](#). The Commissioner relies on the timeliness and accuracy of this data and licensees are reminded to update and review the CUOnline profile information regularly.



2017 Holden Act Report Posted

The Housing Financial Discrimination Act of 1977, also known as the Holden Act ([Health and Safety Code section 35815\(b\)](#)), requires the Secretary of the Business, Consumer Services and Housing (BCSH) Agency to annually report to the Legislature on the compliance activities of relevant regulatory agencies.

Licensed lenders must submit annual reports of their mortgage lending activity to the DBO and Department of Real Estate. The BCSH compiled the data in the [Residential Mortgage Loan \(Holden Act\) Report – Calendar Year 2017](#).

The Holden Act prohibits discrimination based on defined characteristics. It governs the provision of loans to purchase, construct, rehabilitate or refinance one-to-four-unit residences occupied by the owner and to make home improvements to any one- to four-unit family residence.

A Holden Act Report must be filed by all state-licensed residential mortgage lenders that do not report the data to a federal or state regulatory agency as provided by the [Home Mortgage Disclosure Act \(HMDA\) of 1975](#).

HMDA requirements apply to lenders who originate 100 or more home loans per year, and lenders whose home purchase loan originations exceed \$25 million or 10 percent of their total origination volume.



New TILA-RESPA Integrated Disclosure (TRID) Rule Tool

The Consumer Financial Protection Bureau (CFPB) has published a new ["frequently asked questions" \(FAQ\) tool](#) to help mortgage lenders with TILA-RESPA integrated disclosures (TRID) compliance.

TILA-RESPA is an acronym for the "Truth in Lending Act – Real Estate Settlement Procedures Act."

The CFPB FAQ consists of four questions, three of which cover the issuing of corrected closing disclosures and the three-business-day waiting period before consummation. The fourth states that lenders have a safe harbor when it comes to the use of model forms that don't include 2017 revisions to the TRID rule.

Please note this TILA-RESPA FAQ does not create a substitute for lenders to review the Truth-in-Lending Act, the Real Estate Settlement Procedures Act, Regulation Z, or any official interpretations. The CFPB has more information in the [final TRID rules](#) at its website.

Commercial Bank Activity

Merger

El Dorado Savings Bank, FSB, Placerville, to merge with and into Pacific Western Bank, Beverly Hills
Approved: 1/4/19

The Merchants National Bank of Sacramento, Sacramento, to merge with and into Redding Bank of Commerce, Redding
Effected: 1/31/19

Sale of Partial Business Unit

Silvergate Bank to sell the banking business of the San Marcos branch office to HomeStreet Bank
Filed: 11/29/18
Approved: 1/4/19

Premium Finance Company Activity

New Premium Finance Company

Arch Premium Finance, Inc.
660 Newport Center Drive, Newport Beach
Opened: 1/4/19

Voluntary Surrender of License

PrimePlan Premium Financing Inc.
Effectuated: 1/30/18

Credit Union Activity**Merger**

Hamilton Federal Credit Union, Novato, to merge with and into Community First Credit Union, Ukiah
Effectuated: 1/1/19

Merced Municipal Employees Credit Union, Merced, to merge with and into Merced School Employees Federal Credit Union, Merced
Effectuated: 1/1/19

Money Transmitter Activity**Acquisition of Control**

Prabhu Holding Group Corp, to acquire control of Prabhu Group Inc.
Approved: 8/24/18

UAE Exchange International Holding Limited, to acquire control of Moneydart Global Services, Inc.
Filed: 12/31/18

Voluntary Surrender

ADP Payroll Services, Inc.
Effectuated: 1/15/19

Firma Foreign Exchange Corporation
Effectuated: 1/29/19

Noventis, Inc.
Effectuated: 1/24/19

Softgate Systems of California, Inc.
Effectuated: 11/29/18

Change of Name

Custom House USA LLC, to change its name to Western Union International Services, LLC

Effected: 1/11/19

JAN LYNN OWEN

Commissioner of Business Oversight



The February 2019 *Monthly Bulletin* covers the month ended January 31, 2019. It is issued pursuant to Financial Code section 376. The *Monthly Bulletin* is available without charge via e-mail. To subscribe, go to: <http://www.dbo.ca.gov/Resources/subscription.asp>.