



Credit Access Business Advisory Bulletin Annual Reports: Counting Paid-in-Full Accounts

November 25, 2014

This bulletin explains how to count paid-in-full accounts on the credit access business (CAB) annual report.

The Office of Consumer Credit Commissioner is considering suggestions on ways to improve the model Consumer Transaction Information Disclosure. (T.F.C. §393.223 and 7 T.A.C. §83.6007) One suggestion is to incorporate data reported in the annual reports into the form. The CAB annual report collects relevant data "regarding the typical pattern of repayment of deferred presentment transactions and motor vehicle title loans."

In order to enable the OCCC to update the model disclosure with Texas specific data, licensees must take care to submit completely accurate information based on reporting guidelines. The targeted information is reported in Item #1 and #2A-E of the annual report.

Item No.	Description	Installment Deferred Presentment Transactions	Single Payment Deferred Presentment Transactions	Single Payment Auto Title Loans	Installment Auto Title Loans
1	Number of extensions of consumer credit paid in full or otherwise closed for reduced payoff during the report year that did not refinance.				
2	Number of refinances of extensions of consumer credit before paid in full or otherwise closed for reduced payoff in the report year.				
A	Refinancing 1 time				
B	Refinancing 2-4 times				
C	Refinancing 5-6 times				
D	Refinancing 7-10 times				
E	Refinancing more than 10 times				

Item #1 & #2A-2E should total every paid out loan, or account, during the report year. The OCCC's CAB reporting instructions define paid-in-full accounts as:

"Paid in full or otherwise closed for reduced payoff" means the extinguishing of indebtedness of any extension of consumer credit, series of loans linked by refinances, or account where the consumer is not immediately obligated for any further indebtedness. A credit access business contract that is subsequently refinanced is not paid in full."

The following are guidelines based on past reporting errors in reporting paid-in-full accounts:

Do not report any of the following as Paid-in-Full:

- Delinquent or defaulted accounts
 - o that are charged off, or
 - o that are sold or assigned to debt collections or third party debt collectors, or
 - o where the CAB reimbursed the lender and is now the sole creditor
- Accounts that are refinanced and the customer still maintains indebtedness with the store
- Accounts that are transferred to another branch

In addition, you should not do either of the following:

- Counting paid-in-full accounts more than once (e.g., counting each refinance as a paid-in-full loan)
- Reporting a paid-in-full account that was refinanced in both #1 and #2. These sections are mutually exclusive. Accounts counted in #1 cannot be included in #2, or vice versa

Do report the following as Paid-in-Full:

- Accounts paid-in-full by the customer directly or on the customer's behalf (e.g., proceeds of a consolidation loan) evidenced by a \$0 account balance
- Accounts closed and satisfied for a reduced, agreed settlement amount evidenced by a \$0 account balance

CABs must report accurately so that the OCCC can use the data. CABs should review their data extraction methods in advance of the 2014 Annual Report due on January 31, 2015. The OCCC will examine reports suspected of inaccuracies, and CABs that provide inaccurate reports may be subject to administrative penalties. Questions regarding quarterly and annual report filing requirements should be directed to cabreporting@occc.state.tx.us or (512) 936-7652.