

Essential Guidelines for Reporting

- Read all instructions before completing and submitting the annual report.
- All report data must comply with generally accepted accounting principles (GAAP) and be submitted using OCCC-provided forms. A financial statement will not serve as a valid substitute.
- All report data must reflect “net” figures. Do not report gross figures.
- Report all figures and monetary amounts as whole dollars. Check final figures and calculations for possible rounding errors and accuracy of totals.
- Express all figures as full amounts. Do not report data in terms of hundreds, thousands or similar presentation.
- Report all assets, liabilities, realized and accrued income, and expenses as they appear in your accounting records. If your items are recorded in the annual report differently than as they appear in your accounting records, you must include a statement explaining the discrepancy.
- No fees are due with the annual report filing.

Special Situations & Considerations

- Companies or Individuals Holding Multiple Licenses
 - Each company or individual holding more than one license should file one consolidated report for all licenses under each company and master file license number.
 - Different entity types cannot be combined within a consolidated report (i.e., partnerships and corporations should not be combined in a consolidated report even if one person controls both entities)
 - Each different legal entity is required to file a separate report.
- Licensees that had no reportable business during the report year must complete any applicable parts of Schedule A, to demonstrate net asset requirements have been maintained, and Schedule B, if the licensee had other income and expenses.
- Licensees Doing Business Outside the State of Texas
 - Schedules A and B should reflect all of the licensee’s financial activities at the national level.
 - Schedules C through I should reflect only business activity within the state of Texas.

Instructions for Individual Schedules and Forms

Use these instructions, as needed, to find answers to your questions and help you to complete the annual report forms correctly.

Instructions for Schedule A: Balance Sheet

- ✓ Report all figures as net, not gross.
- ✓ Pre-computed loans: Use the figures that are net of unearned interest and charges.
- ✓ Lines 9 (*Total Assets*) and 16 (*Total Liabilities and Owner's Equity*) should be equal to each other.

Assets

- **Line 1:** Enter the total on hand and in bank(s) as of December 31st of the report year.
- **Line 2:** Enter the total loans and retail accounts receivable as of December 31st made under Texas Law.
- **Line 3:** Enter the total of all Non-Texas loans and retail accounts receivable as of December 31st.
- **Line 4:** Enter the estimated losses on loans due to defaults and nonpayment.
- **Line 5:** This amount should be the sum of lines 2, 3, & 4
- **Line 6:** Enter the value of all other assets that can reasonably expected to be converted into cash within one year. Current assets include cash and cash equivalents, accounts receivable, inventory, marketable securities, prepaid expenses and other liquid assets that can be readily converted to cash.

- **Line 7:** This amount should be the sum of 1, 5, & 6
- **Line 8:** Report the total of all other assets devoted to the business. Report depreciable assets net of depreciation.
- **Line 9:** Total Lines 7-8.

Liabilities and Owner's Equity

- **Line 11:** Enter the total company debts or obligations that are due within one year. Current liabilities include short term debt, accounts payable, accrued liabilities and other debts.
- **Line 12:** Enter the total company debt or obligations that are due in longer than one year.
- **Line 13:** This amount should be the sum of lines 11 and 12
- **Line 14:** Record Owner's Equity. This figure should be the difference of Line 9 (*Total Assets*) and Line 13 (*Total Liabilities*).

- **Line 15:** The amount on this line should equal Line 9 (*Total Assets*). If owner's equity does not equal or exceed the net assets requirement be prepared to explain if contacted.

Instructions for Schedule B: Statement of Income and Expenses

- ✓ Report all figures as net, not gross.
- ✓ Note that interest income is requested by loan type.

Income

- **Line 1:** Report the interest income earned from loans regulated according to Chapter 342, Subchapter E (Texas-only transactions). *See Schedule A instructions for loan descriptions.*
- **Line 2:** Report the administrative fee income earned from loans regulated according to Chapter 342, Subchapter E (Texas-only transactions).
- **Line 3:** Report the acquisition fee income earned from loans regulated according to Chapter 342, Subchapter E (Texas-only transactions).
- **Line 4:** Report installment account handling charges earned on Chapter 342, Subchapter F loans (Texas-only transactions).
- **Line 5:** Report the interest income earned from loans regulated according to Chapter 342, Subchapter G and home equity loans (Texas-only transactions). Include interest, default charges, deferment charges, insurance income, interest paid on deposits, bad debt recoveries, etc. *See Schedule A instructions for loan descriptions.*
- **Line 6:** Report the income earned in the form of motor vehicle time price differential charges (Texas-only transactions). Time price differential is defined as an amount, however denominated or expressed, that the seller adds to the cash sale price for services or property payable at the time of sale; the purchaser pays this amount to the seller for the privilege of paying the offered sales price after the time of sale (through financing). *See Schedule A instructions for loans descriptions.*
- **Line 7:** Include here other types of income not reported on Lines 1-6 and earned company-wide.
- **Line 8:** Total Lines 1-7.

Expenses

- **Lines 9-12:** Report the expenses specific to your Texas regulated loan operations, and within the categories provided (bad debts, salaries, interest incurred, and other expenses).
- **Line 13:** Provide a company-wide total for expenses related to all business activities other than regulated loans in Texas (including bad debts, salaries, interest incurred, and other expenses).
- **Line 14:** Total Lines 9-13.
- **Line 15:** Line 8 minus Line 14
- **Line 16:** Report company-wide federal income tax figures for the report year.
- **Line 17:** Report the Net Income (Loss). This figure should be difference of Line 15 (*Net Income before taxes*) and Line 16 (*Federal income taxes*).

Note: Schedules C through Schedule I reflect data relative to business activities conducted within the State of Texas

Schedule C: Loans Receivable Balances

Only Report Active Loans under this section. Charged-off loans or debt purchased after charge-off are reported on schedule C-3

- ✓ Report dollar figures as net amounts, excluding unearned charges and unearned interest and charges on pre-computed loans.
- ✓ Dollar value totals for multiple loan products authorized by a single subchapter should match the totals you provided on Schedule A for each subchapter.

- **Line 1:** Record all consumer installment loans receivables that are regulated by Chapter 342.E of the Texas Finance Code. These are consumer installment loans with typical rates of 18% - 35% but must be greater than 10%
- **Line 2:** Record all consumer installment loans receivables that are regulated by Chapter 342.F of the Texas Finance Code. These are small consumer installment loans with typical rates of 80% - 90%

- **Line 3:** Record all consumer installment loans receivables that are regulated by Chapter 342.F of the Texas Finance Code made under Subchapter M. These are one month, one payment loans where a deposit check was taken as security.
- **Lines 4-5:** Record the receivables for home equity loans in the 2nd or 1st lien position. Home Equity loans must be made on the borrower's homestead and subject to section 50(a)(6) of the Texas Constitution.
- **Lines 6:** Record all mortgage receivables subject to Chapter 342.G of the Texas Finance Code, including home improvement and purchase money loans that hold second-lien positions. **342-G loans must be made at rates greater than 10%**
- **Line 7:** Record any mortgage receivables (including first-lien purchase money or rate and term refinances, other than the mortgage amounts listed in Lines 4-6.
- **Line 8:** Record the dollar value of revolving credit accounts (generally offered by retailers) and that are subject to Chapter 346 of the Texas Finance Code.
- **Line 9:** Record the receivables amounts for motor vehicle retail installment accounts subject to Chapter 348 of the Texas Finance Code.
- **Line 10:** Record the dollar value of consumer goods and services retail installment transaction receivables subject to Chapter 345 of the Texas Finance Code.
- **Line 11:** Record the dollar value of manufactured housing receivables subject to Chapter 347 of the Texas Finance Code.
- **Line 12:** Total Lines 1 – 11.

Schedule C-2: Loans Serviced

Wholly owned loans serviced

- **Line 1-3:** Record the number and amount of accounts owned **and** serviced by your company on December 31. If your company owns and services more than one type of transaction then group the transactions in the appropriate line. These amounts may be the same as Schedule C Loans Receivable.

Sub-servicing for others

- **Line 1-3:** Record the number and amount of accounts serviced by your company on December 31 **that were not owned by your company**. If your company services more than one type of transaction then group the transactions in the appropriate line. These amounts **are not** the same as Schedule C Loans Receivable.

Sub-servicing by others

- **Line 1-3:** Record the number and amount of accounts owned by your company on December 31 **that were not serviced by your company**. If your company owns more than one type of transaction then group the transactions in the appropriate line. These amounts **may be** the same as Schedule C Loans Receivable.

Schedule C-3: Charged Off Loans Servicing

- **Line 1-3:** Record the number and amount of charged-off accounts serviced by your company on December 31. If your company services more than one type of charged-off transaction then group the transactions in the appropriate line. These amounts **are not reported on** Schedule C Loans Receivable.

Schedule D: Loans Made

- ✓ Record the total number of loans made or renewed during the report year, as well as the net amounts of principal loaned.
- ✓ For the purposes of this schedule, principal is considered to be the amount on which interest or other finance charges is computed.

****Refer to Schedule C for Definitions of Transactions****

- **Lines 1 -9:** Refer to Schedule C for instructions on loan amounts to be reported.
- **Line 10:** Report the amount of Consumer goods and services accounts subject to Chapter 345 of the Texas Finance Code.
- **Line 11:** Report the amount of manufactured housing loans and subject to Chapter 347 of the Texas Finance Code.
- **Line 12:** Total lines 1 – 11.
- **Line 13:** Record the percentage of loans that were retained by the company rather than being sold to another company for collection activity. If you retained and collected all loans, the correct percentage should be 100%.

Schedule E: Brokered Loans (do not report loans your company arranged through lead generation activities only)

- ✓ Record the total number of loans transacted, arranged, or negotiated during the report year, as well as the net amounts of principal loaned.
- ✓ For the purposes of this schedule, principal is considered to be the amount on which interest or other finance charges is computed.
- ✓ If you brokered loans, you must attach a list of companies under whose names the loans were closed.

✓ **Lines 1-6:** Report the number of loans made or renewed during the report year as well as the net amounts of principal loans.[8] See Schedule C instructions for loan descriptions.

- **Line 7:** Total Lines 1-6.

Schedule E-2: Arranging Through Lead Generation

- **Lines 1 -2:** Report the number of loans and amount (if known) arranged through your company through lead generation.

Schedule F: Delinquency and Collections

- ✓ This schedule requests three types of information related to collection activities.
- **Lines 1-2:** Report the number of loans and total loan balances for accounts contractually delinquent by more than 60 and 90 days, respectively. Use figures from after year-end charge-off.
- **Lines 3:** Regarding repossessions, report the number of loans and total loan balances due at the time of motor vehicle repossession.
- **Lines 4:** Real Property Foreclosures should show the number of loans where a foreclosure sale took place and total loan balance at the time of foreclosure sale.
- **Line 5:** Report the total number of suits filed and the balanced due on the loans at the time the suits were filed. If two or more suits are filed on one account, each suit is to be reported. Provide *account balances* rather than the amount sued for.

Schedule G: Credit Insurance Sales

- ✓ Information on credit life data should combine single and joint life policies
- **Line 1:** Record the number of policies sold in conjunction with regulated loans.
- **Line 2:** Record the percentage of eligible loans covered.

Calculation:

$$\frac{\textit{Number of Insurance Sales to Borrowers}}{\textit{Total Number of Insurance Eligible Loans}} \times 100$$

- **Line 3:** Record the amount of net premiums for insurance sales.
- **Lines 4-5:** Record the number of paid claims and the dollar value of claims paid.
- **Line 6:** Record the Net Insurance Income/Retained Premium, which is the amount of income you derived from the sale of credit insurance.

Schedule H: Ancillary Products

- ✓ **This schedule requests data related to other products that some licensees sell as part of their regulated loan or mortgage business.**
- **Line 1:** Record the number of products sold.
- **Line 2:** Record the amount of net premiums for products sold.
- **Lines 3-4:** Record the number of paid claims and the dollar value of claims paid.

Schedule I: Escheat Account

- Line 1:** Report the total amount of any refunds sent to the Texas Comptroller's Unclaimed Property Division
- **Line 2:** Record the ending balance of your escheat suspense account.

Schedule A: Balance Sheet (Figures are company-wide)

Assets

1	Cash (Company-Wide)	_____
2	Texas accounts receivable	_____
3	Other accounts receivable (company-wide)	_____
4	Less reserve for loan losses (company-wide)	_____
	(or allowance for doubtful accounts)	_____
5	Net accounts receivable (company-wide)	_____
6	Other current assets	_____
	7 Total current assets	_____
8	Other business assets (company-wide)	_____
	9 Total Assets	<u> \$ -</u>

Liabilities & Owner's Equity

11	Total current liabilities (company-wide)	_____
12	Other liabilities (company-wide)	_____
	13 Total Liabilities	_____
14	Owner's equity (company-wide)	_____
	15 Total Liabilities & Owner's Equity	_____

Schedule B: Statement of Income & Expenses *(Figures are company-wide)*

Income

1 Interest earned on Ch 342.E loans in Texas	_____
2 Administrative fees earned on Chapter 342 loans in Texas	_____
3 Acquisition fees earned on Chapter 342.F loans in Texas	_____
4 Installment account handling charges earned on Chapter 342.F loans in Texas	_____
5 Regulated loan income from Chapter 342.G & home equity loans in Texas	_____
6 Motor vehicle time price differential from Chapter 348 transactions in Texas	_____
7 Other business income	_____
8 Total Income	\$ _____ -

Expenses

9 Bad debts incurred in connection with Texas regulated loan activity	_____
10 Salaries incurred in connection with Texas regulated loan activity	_____
11 Interest incurred in connection with Texas regulated loan activity	_____
12 Other expenses incurred in connection with Texas regulated loan activity	_____
13 Other business expenses (company-wide)	_____
14 Total Expenses	\$ _____ -
15 Net income before taxes (company-wide)	_____
16 Federal income taxes (company-wide)	_____
17 Net Income (Loss)	\$ _____ -

Schedules C through I: Report data relative to business activities conducted within the State of Texas only.

Schedule C: Loans Receivable *(Net of Unearned Charges)*

	No. of Loans Receivable	Amount Loaned
1 Consumer installment loans (Ch 342.E)	_____	_____
2 Small Loans (Ch 342.F)	_____	_____
3 Payday Loans (Ch 342.F)	_____	_____
4 Home Equity Loans (secondary mortgage)	_____	_____
5 Home Equity Loans (first lien mortgage)	_____	_____
6 Home improvement or purchase money loans (secondary mortgage, Ch 342.G)	_____	_____
7 Other mortgage loans	_____	_____
8 Revolving credit, open end/triparty accounts (Ch 346)	_____	_____
9 Motor vehicle retail installment accounts (Ch 348)	_____	_____
10 Consumer goods & services retail installment accounts (Ch 345)	_____	_____
11 Manufactured housing (Ch 347)	_____	_____
12 Total	_____ -	\$ _____ -

Enter an "X" if you believe this schedule is not applicable (N/A) to this annual report filing.

Schedule C-2: Loans Serviced

	No. of Loans Serviced	Amount Serviced
Wholly owned loans serviced		
1 Personal Installment Loans (Ch 342.E, Ch 342.F, Ch 346)	_____	_____
2 Real Estate Loans (Ch 342.G, H.E. 1st & 2nd)	_____	_____
3 Retail Installment Accounts (Ch 345, Ch 347, Ch 348)	_____	_____
Sub-servicing for others		
4 Personal Installment Loans (Ch 342.E, Ch 342.F, Ch 346)	_____	_____
5 Real Estate Loans (Ch 342.G, H.E. 1st & 2nd)	_____	_____
6 Retail Installment Accounts (Ch 345, Ch 347, Ch 348)	_____	_____
Sub-servicing by others		
7 Personal Installment Loans (Ch 342.E, Ch 342.F, Ch 346)	_____	_____
8 Real Estate Loans (Ch 342.G, H.E. 1st & 2nd)	_____	_____
9 Retail Installment Accounts (Ch 345, Ch 347, Ch 348)	_____	_____
10 Total	_____ -	\$ _____ -

Enter an "X" if you believe this schedule is not applicable (N/A) to this annual report filing.

Schedule C-3: Charged Off Loans Servicing

	No. of Loans Serviced	Amount Serviced
Wholly owned loans serviced		
1 Personal Installment Loans (Ch 342.E, Ch 342.F, Ch 346)	_____	_____
2 Real Estate Loans (Ch 342.G, H.E. 1st & 2nd)	_____	_____
3 Retail Installment Accounts (Ch 345, Ch 347, Ch 348)	_____	_____
4 Total	-	\$ -

Enter an "X" if you believe this schedule is not applicable (N/A) to this annual report filing.

Schedule D: Loans Made (Net of Interest or Other Finance Charges)

	No. of Loans Made	Amount Loaned
1 Consumer installment loans (Ch 342.E)	_____	_____
2 Small loans (Ch 342.F)	_____	_____
3 Payday Loans (Ch 342.F) <i>(single payment only)</i>	_____	_____
4 Home equity loans (secondary mortgage)	_____	_____
5 Home equity loans (first lien mortgage)	_____	_____
6 Home improvement or purchase money loans (secondary mortgage, Ch 342.G)	_____	_____
7 Other mortgage loans	_____	_____
8 Revolving credit, open end/triparty accounts (Ch 346)	_____	_____
9 Motor vehicle retail installment accounts (Ch 348)	_____	_____
10 Consumer goods & services retail installment (Ch 345)	_____	_____
11 Manufactured housing (Ch 347)	_____	_____
12 Total	-	\$ -
13 Percentage of loans retained	_____ %	

Enter an "X" if you believe this schedule is not applicable (N/A) to this annual report filing.

Schedule E: Brokered Loans (Net of Interest or Other Finance Charges)

	No. of Loans Brokered	Amount Brokered
Mortgage Loans		
1 Home Equity Loans (secondary mortgage)	_____	_____
2 Home Equity Loans (first lien mortgage)	_____	_____
3 Home improvement or purchase money loans (secondary mortgage, Ch 342.G)	_____	_____
4 Other Mortgage Loans	_____	_____
Consumer Loans		
5 Payday loans (Ch 342.F)	_____	_____
6 Other Loans	_____	_____
7 Total	-	\$ -

Enter an "X" if you believe this schedule is not applicable (N/A) to this annual report filing.

Schedule E-2: Arranging Through Lead Generation

	No. of Leads Generated	Amount (if known)
1 Regulated Loans subject to Chapter 342	_____	_____
2 Home Equity Loans subject to 50 (a)(6)	_____	_____
3 Total	-	\$ -

Enter an "X" if you believe this schedule is not applicable (N/A) to this annual report filing.

Schedule F: Delinquency and Collections

	Regulated Loans	
	Number	Amount
1 60 - 89-day accounts	_____	_____
2 90-day accounts	_____	_____
3 Repossession of motor vehicles	_____	_____

4 Real property foreclosures

5 Suits Filed

Enter an "X" if you believe this schedule is not applicable (N/A) to this annual report filing.

Schedule G: Credit Insurance Sales

	Non-Filing	Involuntary Unemployment	
1 Number of policies sold	_____	_____	
2 Percentage of eligible loans covered	_____ %	_____ %	
3 Net Premiums	_____	_____	
4 Number of paid claims	_____	_____	
5 Amount of claims Paid	_____	_____	
6 Net Insurance income/retained premium	_____	_____	

	Credit Life	Credit A&H	Property
1 Number of policies sold	_____	_____	_____
2 Percentage of eligible loans covered	_____ %	_____ %	_____ %
3 Net Premiums	_____	_____	_____
4 Number of paid claims	_____	_____	_____
5 Amount of claims Paid	_____	_____	_____
6 Net insurance income/retained premium	_____	_____	_____

Enter an "X" if you believe this schedule is not applicable (N/A) to this annual report filing.

Schedule H: Ancillary Products

	Non-Credit Insurance*	Motor Club Memberships
1 Number of policies sold	_____	_____
2 Net Premiums	_____	_____
3 Number of paid claims	_____	_____
4 Amount of claims Paid	_____	_____

	Thrift Club Membership	Miscellaneous*
1 Number of policies sold	_____	_____
2 Net Premiums	_____	_____
3 Number of paid claims	_____	_____
4 Amount of claims Paid	_____	_____

*Identify type non-credit insurance or other miscellaneous products sold. If there is more than one kind, please list and report separately.

Enter an "X" if you believe this schedule is not applicable (N/A) to this annual report filing.

Schedule I: Escheat Account

1 Funds remitted to State of Texas	_____
2 Escheat account balance, end of year	_____

Enter an "X" if you believe this schedule is not applicable (N/A) to this annual report filing.