

**Introduced by Senator Hueso**

(Principal coauthor: Assembly Member Alejo)

**(Coauthors: Senators Hill and Mitchell)**

(Coauthors: Assembly Members Bonilla, Bonta, Brown, Low, Mullin, Ting, and Williams)

February 10, 2016

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An act to amend Sections 22365, 22370, 22377, and 22380 of, to amend the heading of Article 3.6 (commencing with Section 22365) of Chapter 2 of Division 9 of, and to repeal Section 22381 of, the Financial Code, relating to consumer loans.

## LEGISLATIVE COUNSEL'S DIGEST

SB 984, as introduced, Hueso. Pilot Program for Increased Access to Responsible Small Dollar Loans: extension.

Existing law, the California Finance Lenders Law, provides for the licensure and regulation of finance lenders and brokers by the Commissioner of Business Oversight and makes a willful violation of its provisions a crime. Existing law, until January 1, 2018, establishes the Pilot Program for Increased Access to Responsible Small Dollar Loans for the purpose of allowing greater access for responsible installment loans in principal amounts of at least \$300 and less than \$2,500. Existing law requires licensees and other entities to file an application and pay a specified fee to the commissioner to participate in the program. Existing law authorizes a licensee approved by the commissioner to participate in the program to impose specified alternative interest rates and charges, including an administrative fee and delinquency fees, on loans of at least \$300 and less than \$2,500, subject to certain requirements. Existing law, on or before January 1, 2017, requires the commissioner to post a report on his or her Internet

Web site containing specified information including a recommendation whether the program should be continued after January 1, 2018.

This bill would delete the January 1, 2018, repeal date for the Pilot Program for Increased Access to Responsible Small Dollar Loans thereby extending these provisions indefinitely, and would make related conforming changes. The bill would also delete the requirement that the report include the above-referenced recommendation.

Because a willful violation of these provisions would be a crime, this bill would impose a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: yes.

*The people of the State of California do enact as follows:*

1 SECTION 1. The heading of Article 3.6 (commencing with  
2 Section 22365) of Chapter 2 of Division 9 of the Financial Code  
3 is amended to read:

4  
5 Article 3.6. ~~Pilot~~ Program for Increased Access to Responsible  
6 Small Dollar Loans

7  
8 SEC. 2. Section 22365 of the Financial Code is amended to  
9 read:

10 22365. (a) The ~~Pilot~~ Program for Increased Access to  
11 Responsible Small Dollar Loans is hereby established.

12 (b) The Legislature finds and declares that consumer demand  
13 for responsible installment loans in principal amounts of at least  
14 three hundred dollars (\$300) but less than two thousand five  
15 hundred dollars (\$2,500) exceeds the supply of these loans. In  
16 2010, the Legislature enacted the Pilot Program for Affordable  
17 Credit-Building Opportunities, as a first step toward addressing  
18 this gap. California’s experience to date with that pilot program  
19 has identified several improvements that could be made, which  
20 would allow more Californians to access responsible installment  
21 loans of at least three hundred dollars (\$300) but less than two

1 thousand five hundred dollars (\$2,500). ~~This new Pilot~~ *The*  
2 Program for Increased Access to Responsible Small Dollar Loans  
3 is intended to implement those improvements.

4 (c) For purposes of this article:

5 (1) “Commissioner” means the Commissioner of Business  
6 Oversight.

7 (2) “Program” means the ~~Pilot~~ Program for Increased Access  
8 to Responsible Small Dollar Loans.

9 (3) Pursuant to Section 22380.5, “licensee” also includes a  
10 licensee approved to participate in the former Pilot Program for  
11 Affordable Credit-Building Opportunities as described in *the*  
12 *former* Article 3.5 (commencing with Section 22348).

13 SEC. 3. Section 22370 of the Financial Code is amended to  
14 read:

15 22370. (a) Any loan made pursuant to this section shall comply  
16 with the following requirements:

17 (1) The loan shall be unsecured.

18 (2) Interest on the loan shall accrue on a simple-interest basis,  
19 through the application of a daily periodic rate to the actual unpaid  
20 principal balance each day.

21 (3) The licensee shall disclose the following to the consumer  
22 in writing, in a typeface no smaller than 12-point type, at the time  
23 of application:

24 (A) The amount borrowed; the total dollar cost of the loan to  
25 the consumer if the loan is paid back on time, including the sum  
26 of the administrative fee, principal amount borrowed, and interest  
27 payments; the corresponding annual percentage rate, calculated in  
28 accordance with Federal Reserve Board Regulation Z (12 C.F.R.  
29 226); the periodic payment amount; the delinquency fee schedule;  
30 and the following statement: “Repaying your loan early will lower  
31 your borrowing costs by reducing the amount of interest you will  
32 pay. This loan has no prepayment penalty.”

33 (B) A statement that the consumer has the right to rescind the  
34 loan by notifying the licensee of the consumer’s intent to rescind  
35 the loan and returning the principal advanced by the end of the  
36 business day following the date the loan is consummated.

37 (4) A licensee may provide the borrower with the disclosures  
38 required by paragraph (3) in a mobile or other electronic  
39 application, on which the size of the typeface of the disclosure can  
40 be manually modified by a prospective borrower, if the prospective

1 borrower is given the option to print the disclosure in a typeface  
2 of at least 12-point size or is provided by the licensee with a  
3 hardcopy of the disclosure in a typeface of at least 12-point size  
4 before the loan is consummated.

5 (5) The loan shall have a minimum principal amount upon  
6 origination of three hundred dollars (\$300) and a term of not less  
7 than the following:

8 (A) Ninety days for loans whose principal balance upon  
9 origination is less than five hundred dollars (\$500).

10 (B) One hundred twenty days for loans whose principal balance  
11 upon origination is at least five hundred dollars (\$500), but is less  
12 than one thousand five hundred dollars (\$1,500).

13 (C) One hundred eighty days for loans whose principal balance  
14 upon origination is at least one thousand five hundred dollars  
15 (\$1,500).

16 (b) As an alternative to the charges authorized by Section 22303  
17 or 22304, a licensee approved by the commissioner to participate  
18 in the program may contract for and receive charges for a loan  
19 made pursuant to this section at an annual simple interest rate not  
20 to exceed the following:

21 (1) The lesser of 36 percent or the sum of 32.75 percent plus  
22 the United States prime lending rate, as of the date of loan  
23 origination, on that portion of the unpaid principal balance of the  
24 loan up to and including, but not in excess of, one thousand dollars  
25 (\$1,000). The interest rate calculated as of the date of loan  
26 origination shall be fixed for the life of the loan.

27 (2) The lesser of 35 percent or the sum of 28.75 percent plus  
28 the United States prime lending rate, as of the date of loan  
29 origination, on that portion of the unpaid principal balance of the  
30 loan in excess of one thousand dollars (\$1,000), but less than two  
31 thousand five hundred dollars (\$2,500). The interest rate calculated  
32 as of the date of loan origination shall be fixed for the life of the  
33 loan.

34 (c) (1) As to any loan made under this section, a licensee  
35 approved by the commissioner to participate in the program may  
36 contract for and receive an administrative fee, which shall be fully  
37 earned immediately upon making the loan, in an amount not to  
38 exceed the applicable of the following:

1 (A) Seven percent of the principal amount, exclusive of the  
2 administrative fee, or ninety dollars (\$90), whichever is less, on  
3 the first loan made to a borrower.

4 (B) Six percent of the principal amount, exclusive of the  
5 administrative fee, or seventy-five dollars (\$75), whichever is less,  
6 on the second and subsequent loans made to that borrower.

7 (2) A licensee shall not charge the same borrower an  
8 administrative fee more than once in any four-month period.

9 (3) For purposes of this section, “refinance” means the  
10 replacement or revision of an existing loan contract with a borrower  
11 that results in an extension of additional principal to that borrower.  
12 A licensee shall not refinance a loan made under this section, unless  
13 all of the following conditions are met at the time the borrower  
14 submits an application to refinance:

15 (A) The borrower has repaid at least 60 percent of the  
16 outstanding principal remaining on his or her loan.

17 (B) The borrower is current on his or her outstanding loan.

18 (C) The licensee underwrites the new loan in accordance with  
19 paragraph (4) of subdivision (f).

20 (D) If the loan proceeds of both the original loan and the  
21 refinance loan are to be used for personal, family, or household  
22 purposes, the borrower has not previously refinanced the  
23 outstanding loan more than once.

24 (4) Notwithstanding paragraph (3), an administrative fee shall  
25 not be contracted for or received in connection with the refinancing  
26 of a loan unless at least eight months have elapsed since the receipt  
27 of a previous administrative fee paid by the borrower. With the  
28 exception of a loan that is refinanced, only one administrative fee  
29 may be contracted for or received until the loan has been repaid  
30 in full. Section 22305 shall not apply to any loan made under this  
31 section.

32 (d) Notwithstanding subdivision (a) of Section 22320.5, a  
33 licensee approved by the commissioner to participate in the  
34 program may require reimbursement from a borrower for the actual  
35 insufficient funds fees incurred by that licensee due to actions of  
36 the borrower, and may contract for and receive a delinquency fee  
37 that is one of the following amounts:

38 (1) For a period of delinquency of not less than seven days, an  
39 amount not in excess of fourteen dollars (\$14).

1 (2) For a period of delinquency of not less than 14 days, an  
2 amount not in excess of twenty dollars (\$20).

3 (e) If a licensee opts to impose a delinquency fee, it shall use  
4 the delinquency fee schedule described in subdivision (d), subject  
5 to all of the following:

6 (1) No more than one delinquency fee may be imposed per  
7 delinquent payment.

8 (2) No more than two delinquency fees may be imposed during  
9 any period of 30 consecutive days.

10 (3) No delinquency fee may be imposed on a borrower who is  
11 180 days or more past due if that fee would result in the sum of  
12 the borrower's remaining unpaid principal balance, accrued interest,  
13 and delinquency fees exceeding 180 percent of the original  
14 principal amount of the borrower's loan.

15 (4) The licensee or any of its wholly owned subsidiaries shall  
16 attempt to collect a delinquent payment for a period of at least 30  
17 days following the start of the delinquency before selling or  
18 assigning that unpaid debt to an independent party for collection.

19 (f) The licensee shall develop and implement policies and  
20 procedures designed to respond to questions raised by applicants  
21 and borrowers regarding their loans, including those involving  
22 finders, and to address customer complaints as soon as reasonably  
23 practicable.

24 (g) The following shall apply to a loan made by a licensee  
25 pursuant to this section:

26 (1) Prior to disbursement of loan proceeds, the licensee shall  
27 either (A) offer a credit education program or seminar to the  
28 borrower that has been previously reviewed and approved by the  
29 commissioner for use in complying with this section; or (B) invite  
30 the borrower to a credit education program or seminar offered by  
31 an independent third party that has been previously reviewed and  
32 approved by the commissioner for use in complying with this  
33 section. The borrower shall not be required to participate in either  
34 of these education programs or seminars. A credit education  
35 program or seminar offered pursuant to this paragraph shall be  
36 provided at no cost to the borrower.

37 (2) The licensee shall report each borrower's payment  
38 performance to at least one consumer reporting agency that  
39 compiles and maintains files on consumers on a nationwide basis,  
40 upon acceptance as a data furnisher by that consumer reporting

1 agency. For purposes of this section, a consumer reporting agency  
2 that compiles and maintains files on consumers on a nationwide  
3 basis is one that meets the definition in Section 603(p) of the  
4 federal Fair Credit Reporting Act (15 U.S.C. Sec. 1681a(p)). Any  
5 licensee that is accepted as a data furnisher after admittance into  
6 the program must report all borrower payment performance since  
7 its inception of lending under the program, as soon as practicable  
8 after its acceptance into the program, but in no event more than  
9 six months after its acceptance into the program.

10 (A) The commissioner may approve a licensee for the program,  
11 before that licensee has been accepted as a data furnisher by a  
12 consumer reporting agency, if the commissioner has a reasonable  
13 expectation, based on information supplied by the licensee, of both  
14 of the following:

15 (i) The licensee will be accepted as a data furnisher, once it  
16 achieves a lending volume required of data furnishers of its type  
17 by a consumer reporting agency.

18 (ii) That lending volume will be achieved within the first six  
19 months of the licensee commencing lending.

20 (B) Notwithstanding subparagraph (A), the commissioner shall  
21 withdraw approval for ~~pilot~~ program participation from any  
22 licensee that fails to become accepted as a data furnisher by a  
23 consumer reporting agency within six months of commencing  
24 lending under the pilot program.

25 (3) The licensee shall provide each borrower with the name of  
26 the consumer reporting agency or agencies to which it will report  
27 the borrower's payment history. A licensee that is accepted as a  
28 data furnisher after admittance into the program shall notify its  
29 borrowers, as soon as practicable following acceptance as a data  
30 furnisher, regarding the name of the consumer reporting agency  
31 or agencies to which it will report that borrower's payment history.

32 (4) (A) The licensee shall underwrite each loan to determine a  
33 borrower's ability and willingness to repay the loan pursuant to  
34 the loan terms, and shall not make a loan if it determines, through  
35 its underwriting, that the borrower's total monthly debt service  
36 payments, at the time of origination, including the loan for which  
37 the borrower is being considered, and across all outstanding forms  
38 of credit that can be independently verified by the licensee, exceed  
39 50 percent of the borrower's gross monthly income.

1 (B) (i) The licensee shall seek information and documentation  
2 pertaining to all of a borrower's outstanding debt obligations during  
3 the loan application and underwriting process, including loans that  
4 are self-reported by the borrower but not available through  
5 independent verification. The licensee shall verify that information  
6 using a credit report from at least one consumer reporting agency  
7 that compiles and maintains files on consumers on a nationwide  
8 basis or through other available electronic debt verification services  
9 that provide reliable evidence of a borrower's outstanding debt  
10 obligations.

11 (ii) Notwithstanding the verification requirement in  
12 subparagraph (A), the licensee shall request from the borrower  
13 and include all information obtained from the borrower regarding  
14 outstanding deferred deposit transactions in the calculation of the  
15 borrower's outstanding debt obligations.

16 (iii) The licensee shall not be required to consider, for purposes  
17 of debt-to-income ratio evaluation, loans from friends or family.

18 (C) The licensee shall also verify the borrower's income that  
19 the licensee relies on to determine the borrower's debt-to-income  
20 ratio using information from either of the following:

21 (i) Electronic means or services that provide reliable evidence  
22 of the borrower's actual income.

23 (ii) Internal Revenue Service Form W-2, tax returns, payroll  
24 receipts, bank statements, or other third-party documents that  
25 provide reasonably reliable evidence of the borrower's actual  
26 income.

27 (5) The licensee shall notify each borrower, at least two days  
28 prior to each payment due date, informing the borrower of the  
29 amount due, and the payment due date. Notification may be  
30 provided by any means mutually acceptable to the borrower and  
31 the licensee. A borrower shall have the right to opt out of this  
32 notification at any time, upon electronic or written request to the  
33 licensee. The licensee shall notify each borrower of this right prior  
34 to disbursing loan proceeds.

35 (h) (1) Notwithstanding Sections 22311 to 22315, inclusive,  
36 no person, in connection with, or incidental to, the making of any  
37 loan made pursuant to this article, may offer, sell, or require the  
38 borrower to contract for "credit insurance" as defined in paragraph  
39 (1) of subdivision (a) of Section 22314 or insurance on tangible  
40 personal or real property of the type specified in Section 22313.



1 (2) Notwithstanding Sections 22311 to 22315, inclusive, no  
2 licensee, finder, or any other person that participates in the  
3 origination of a loan under this article shall refer a borrower to any  
4 other person for the purchase of “credit insurance” as defined in  
5 paragraph (1) of subdivision (a) of Section 22314 or insurance on  
6 tangible personal or real property of the type specified in Section  
7 22313.

8 (i) (1) No licensee shall require, as a condition of providing the  
9 loan, that the borrower waive any right, penalty, remedy, forum,  
10 or procedure provided for in any law applicable to the loan,  
11 including the right to file and pursue a civil action or file a  
12 complaint with or otherwise communicate with the commissioner  
13 or any court or other public entity, or that the borrower agree to  
14 resolve disputes in a jurisdiction outside of California or to the  
15 application of laws other than those of California, as provided by  
16 law. Any waiver by a borrower must be knowing, voluntary, and  
17 in writing, and expressly not made a condition of doing business  
18 with the licensee. Any waiver that is required as a condition of  
19 doing business with the licensee shall be presumed involuntary,  
20 unconscionable, against public policy, and unenforceable. The  
21 licensee has the burden of proving that a waiver of any rights,  
22 penalties, forums, or procedures was knowing, voluntary, and not  
23 made a condition of the contract with the borrower.

24 (2) No licensee shall refuse to do business with or discriminate  
25 against a borrower or applicant on the basis that the borrower or  
26 applicant refuses to waive any right, penalty, remedy, forum, or  
27 procedure, including the right to file and pursue a civil action or  
28 complaint with, or otherwise notify, the commissioner or any court  
29 or other public entity. The exercise of a person’s right to refuse to  
30 waive any right, penalty, remedy, forum, or procedure, including  
31 a rejection of a contract requiring a waiver, shall not affect any  
32 otherwise legal terms of a contract or an agreement.

33 (3) This subdivision shall not apply to any agreement to waive  
34 any right, penalty, remedy, forum, or procedure, including any  
35 agreement to arbitrate a claim or dispute, after a claim or dispute  
36 has arisen. Nothing in this subdivision shall affect the enforceability  
37 or validity of any other provision of the contract.

38 (j) This section shall not apply to any loan of a bona fide  
39 principal amount of two thousand five hundred dollars (\$2,500)  
40 or more as determined in accordance with Section 22251. For

1 purposes of this subdivision, “bona fide principal amount” shall  
2 be determined in accordance with Section 22251.

3 SEC. 4. Section 22377 of the Financial Code is amended to  
4 read:

5 22377. (a) The commissioner may examine the operations of  
6 each licensee and each finder to ensure that the activities of the  
7 licensee and the finder are in compliance with this article. The  
8 costs of the commissioner’s examination of each finder shall be  
9 attributed to the commissioner’s examination of the licensee. Any  
10 violation of this article by a finder or a finder’s employee shall be  
11 attributed to the finance lender with whom it has entered into an  
12 agreement for purposes of determining the licensee’s compliance  
13 with this division.

14 (b) Upon a determination that a finder has acted in violation of  
15 this article, or any implementing regulation, or upon a  
16 determination that it would be warranted by the data reported to  
17 the commissioner pursuant to subdivision (c) of Section 22375 for  
18 any finder, the commissioner may disqualify a finder from  
19 performing services under this article, bar a finder from performing  
20 services at one or more specific locations of that finder, terminate  
21 a written agreement between a finder and a licensee, and, if the  
22 commissioner deems that action in the public interest, prohibit the  
23 use of that finder by all licensees accepted to participate in the  
24 ~~pilot~~ program.

25 (c) In addition to any other penalty allowed by law, the  
26 commissioner may impose an administrative penalty up to two  
27 thousand five hundred dollars (\$2,500) for violations of this article  
28 committed by a finder.

29 SEC. 5. Section 22380 of the Financial Code is amended to  
30 read:

31 22380. (a) On or before July 1, 2015, and again, on or before  
32 January 1, 2017, the commissioner shall post a report on his or her  
33 Internet Web site summarizing utilization of the Pilot Program for  
34 Increased Access to Responsible Small Dollar Loans. The report  
35 required to be submitted on or before July 1, 2015, shall  
36 additionally include the information required by former Section  
37 22361, summarizing utilization of the Pilot Program for Affordable  
38 Credit-Building Opportunities, which was created by Chapter 640  
39 of the Statutes of 2010.

1 (b) The information disclosed to the commissioner for the  
2 commissioner's use in preparing the report described in this section  
3 is exempted from any requirement of public disclosure by  
4 paragraph (2) of subdivision (d) of Section 6254 of the Government  
5 Code.

6 (c) If there is more than one licensee approved to participate in  
7 the program under this article, the report required pursuant to  
8 subdivision (a) shall state information in aggregate so as not to  
9 identify data by specific licensee.

10 (d) The report required pursuant to this section shall specify the  
11 time period to which the report corresponds, and shall include, but  
12 not be limited to, the following for that time period:

13 (1) The number of entities that applied to participate in the  
14 program.

15 (2) The number of entities accepted to participate in the program.

16 (3) The reason or reasons for rejecting applications for  
17 participation, if applicable. This information shall be provided in  
18 a manner that does not identify the entity or entities rejected.

19 (4) The number of program loan applications received by lenders  
20 participating in the program, the number of loans made pursuant  
21 to the program, the total amount loaned, the distribution of loan  
22 lengths upon origination, and the distribution of interest rates and  
23 principal amounts upon origination among those loans.

24 (5) The number of borrowers who obtained more than one  
25 program loan and the distribution of the number of loans per  
26 borrower.

27 (6) Of the number of borrowers who obtained more than one  
28 program loan, the percentage of those borrowers whose credit  
29 scores increased between successive loans, based on information  
30 from at least one major credit bureau, and the average size of the  
31 increase.

32 (7) The income distribution of borrowers upon loan origination,  
33 including the number of borrowers who obtained at least one  
34 program loan and who resided in a low-to-moderate-income census  
35 tract at the time of their loan application.

36 (8) The number of borrowers who obtained loans for the  
37 following purposes, based on borrower responses at the time of  
38 their loan applications indicating the primary purpose for which  
39 the loan was obtained:

40 (A) Medical.

- 1 (B) Other emergency.  
2 (C) Vehicle repair.  
3 (D) Vehicle purchase.  
4 (E) To pay bills.  
5 (F) To consolidate debt.  
6 (G) To build or repair credit history.  
7 (H) To finance a purchase of goods or services other than a  
8 vehicle.  
9 (I) For other than personal, family, or household purposes.  
10 (J) Other.
- 11 (9) The number of borrowers who self-report that they had a  
12 bank account at the time of their loan application, the number of  
13 borrowers who self-report that they had a bank account and used  
14 check-cashing services, and the number of borrowers who  
15 self-report that they did not have a bank account at the time of  
16 their loan application.
- 17 (10) With respect to refinance loans, the report shall specifically  
18 include the following information:
- 19 (A) The number and percentage of borrowers who applied for  
20 a refinance loan.
- 21 (B) Of those borrowers who applied for a refinance loan, the  
22 number and percentage of borrowers who obtained a refinance  
23 loan.
- 24 (C) Of those borrowers who obtained a refinance loan:
- 25 (i) The percentage of borrowers who refinanced once.  
26 (ii) The percentage of borrowers who refinanced twice.  
27 (iii) The percentage of borrowers who refinanced more than  
28 twice.
- 29 (D) Of those borrowers who obtained a refinance loan, the  
30 average percentage of principal paid down before obtaining a  
31 refinance loan.
- 32 (E) Of those borrowers who obtained a refinance loan, the  
33 average amount of additional principal extended.
- 34 (F) Of those borrowers who obtained a refinance loan, the  
35 average number of late payments made on the loan that was  
36 refinanced.
- 37 (11) The number and type of finders used by licensees and the  
38 relative performance of loans consummated by finders compared  
39 to the performance of loans consummated without a finder.

1 (12) The number and percentage of borrowers who obtained  
2 one or more program loans on which late fees were assessed, the  
3 total amount of late fees assessed, and the average late fee assessed  
4 by dollar amount and as a percentage of the principal amount  
5 loaned.

6 (13) (A) The performance of loans under this article, as reflected  
7 by all of the following:

8 (i) The number and percentage of ~~pilot~~ program borrowers who  
9 experienced at least one delinquency lasting between 7 and 29  
10 days, and the distribution of principal loan amounts corresponding  
11 to those delinquencies.

12 (ii) The number and percentage of ~~pilot~~ program borrowers who  
13 experienced at least one delinquency lasting between 30 and 59  
14 days, and the distribution of principal loan amounts corresponding  
15 to those delinquencies.

16 (iii) The number and percentage of ~~pilot~~ program borrowers  
17 who experienced at least one delinquency lasting 60 days or more,  
18 and the distribution of principal loan amounts corresponding to  
19 those delinquencies.

20 (iv) The number and percentage of ~~pilot~~ program borrowers  
21 who experienced at least one delinquency of greater than 7 days  
22 and who did not subsequently bring their loan current.

23 (v) Among loans that were ever delinquent for 7 days or more,  
24 the average number of times borrowers experienced a delinquency  
25 of 7 days or more.

26 (B) To the extent data are readily available to the commissioner,  
27 the commissioner shall include in his or her report comparable  
28 delinquency data for unsecured loans made by persons licensed  
29 under Chapter 2 (commencing with Section 22365) of Division 9  
30 in principal amounts between two thousand five hundred dollars  
31 (\$2,500) and four thousand nine hundred ninety-nine dollars  
32 (\$4,999), and in principal amounts between five thousand dollars  
33 (\$5,000) and nine thousand nine hundred ninety-nine dollars  
34 (\$9,999), and for unsecured extensions of credit made by  
35 state-chartered banks and credit unions under the commissioner's  
36 jurisdiction, in principal amounts between two thousand five  
37 hundred dollars (\$2,500) and four thousand nine hundred  
38 ninety-nine dollars (\$4,999), and in principal amounts between  
39 five thousand dollars (\$5,000) and nine thousand nine hundred  
40 ninety-nine dollars (\$9,999).

1 (14) The number and types of violations of this article by finders,  
2 which were documented by the commissioner.

3 (15) The number and types of violations of this article by  
4 licensees, which were documented by the commissioner.

5 (16) The number of times that the commissioner disqualified a  
6 finder from performing services, barred a finder from performing  
7 services at one or more specific locations of the finder, terminated  
8 a written agreement between a finder and a licensee, or imposed  
9 an administrative penalty.

10 (17) The number of complaints received by the commissioner  
11 about a licensee or a finder, and the nature of those complaints.

12 (18) Recommendations for improving the program.

13 ~~(19) Recommendations regarding whether the program should~~  
14 ~~be continued after January 1, 2018.~~

15 (e) The commissioner shall conduct a random sample survey  
16 of borrowers who have participated in the program to obtain  
17 information regarding the borrowers' experience and licensees'  
18 compliance with this article. The results of this survey shall be  
19 included in the report required by this section.

20 SEC. 6. Section 22381 of the Financial Code is repealed.

21 ~~22381. This article shall remain in effect only until January 1,~~  
22 ~~2018, and as of that date is repealed, unless a later enacted statute,~~  
23 ~~that is enacted before January 1, 2018, deletes or extends that date.~~

24 SEC. 7. No reimbursement is required by this act pursuant to  
25 Section 6 of Article XIII B of the California Constitution because  
26 the only costs that may be incurred by a local agency or school  
27 district will be incurred because this act creates a new crime or  
28 infraction, eliminates a crime or infraction, or changes the penalty  
29 for a crime or infraction, within the meaning of Section 17556 of  
30 the Government Code, or changes the definition of a crime within  
31 the meaning of Section 6 of Article XIII B of the California  
32 Constitution.