

NORTH CAROLINA COMMISSIONER OF BANKS

Consumer Finance Annual Report



2011

n o r t h c a r o l i n a
COMMISSIONER OF BANKS

Ray Grace
Acting Commissioner of Banks





State of North Carolina
OFFICE OF THE COMMISSIONER OF BANKS

BEVERLY E. PERDUE
GOVERNOR

RAY GRACE
ACTING COMMISSIONER OF BANKS

To The Honorable Beverly E. Perdue, Governor

It is my pleasure to submit to you our 2011 Annual Report ("Report") on licensed consumer finance lenders ("CFLs"). The figures in this Report represent a compilation of unaudited reports submitted by licensees in accordance with N.C.G.S. § 53-184(b).

On December 31, 2011, there were 81 CFLs with 488 branch offices in North Carolina (see Chart A for 5-year trend). Of these, eight CFLs make consumer loans under N.C.G.S. § 53-173; and 73 CFLs make consumer loans under the optional rate section, N.C.G.S. § 53-176.

Given the diversity in size of CFLs, these companies have been broken down into three segments: large, medium, and small, in certain charts within this Report. Large CFLs are defined as having 40 or more branch locations, medium CFLs as having 7-39 branch locations, and small CFLs as having 6 or fewer branch locations.

For the year ended December 31, 2011, CFLs had aggregate outstanding loans of \$859,822,422 and stated equity of \$123,179,994. Assets of these lenders totaled \$959,845,777 in 2011, a 6% increase over the previous year's \$905,027,947 (see Chart B for 5-year trend). Operating losses in 2011 were reported by 40% of CFLs, with Provision for Credit Losses Expense and Interest Expense totaling approximately 33% of Total Operating Income. Income exceeded expenses in large, medium, and small-sized companies.

As a convenience to the public and the industry, this report is also available on the Commissioner of Banks' website at www.nccob.gov.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Ray Grace", written over a white background.

Ray Grace
Acting Commissioner of Banks

Table of Contents

| | |
|---|-----------|
| The North Carolina Consumer Finance Act..... | 7 |
| Number of Offices and Assets Comparison | 8 |
| Licensee Home Offices | 9 |
| Offices by County – Maps | 16 |
| Consolidated Comparative Balance Sheet..... | 19 |
| Consolidated Statement of Income and Expense | 20 |
| Loan Classifications | 21 |
| Other Consumer Finance Loan Data | 22 |
| Charts | 23 |
| Changes in Receivables and Related Categories..... | 23 |
| 2009 to 2011 Income and Expense Comparison..... | 23 |
| 2011 Income and Expense Comparison by Company Size..... | 24 |
| Total Number of Loans Made by Year 2007 to 2011 | 25 |
| Total Dollar Amount of Loans Made by Year 2007 to 2011 | 25 |
| Classification of Loans by Size (Number) | 26 |
| 2011 Loans by Size of Company (Number) | 26 |
| Classification of Loans by Size (\$Amount) | 27 |
| 2011 Loans by Size of Company (\$Amount) | 27 |
| Loans by Security Type (Number) | 28 |
| Loans by Security Type (\$Amount) | 28 |
| Loans by Type of Borrower (Number) | 29 |
| Loans by Type of Borrower (\$Amount) | 29 |

The North Carolina Consumer Finance Act

The North Carolina Consumer Finance Act, General Statute 53-164 *et seq.*, authorizes the Commissioner of Banks to license and to supervise loan companies which make direct consumer loans of \$10,000 or less. A licensee may charge interest that exceeds the rate which Chapter 24 of the North Carolina General Statutes allows. It cannot make a loan secured by real property.

A licensee may choose to make loans under one of the following sections of the Act.

| Statutory Reference | Amount of Loan |
|----------------------------|-----------------------|
| G.S. 53-173 | \$3,000 or less |
| G.S. 53-176 | \$10,000 or less |

For licensees who lend a cash advance of \$3,000 or less, G.S. 53-173 allows maximum interest charges of 36% per year on that part of the unpaid principal balance which does not exceed \$600 and 15% per year on that portion which is more than \$600 but not more than the \$3,000 ceiling.

Optional rate lenders, those who make cash advances of \$10,000 or less, must adhere to the provisions of G.S. 53-176. This section of the Consumer Finance Act permits maximum interest charges of 30% per year on that part of the unpaid principal balance which does not exceed \$1,000 and 18% per year on the remainder which does not exceed \$7,500. If the principal balance is more than \$7,500, the maximum rate is 18% per year on the entire loan.

Lenders which do not charge interest rates in excess of those permitted by Chapter 24 are exempt from the Consumer Finance Act. Also exempted are banks, trust companies, savings and loan associations, cooperative credit unions, agricultural credit corporations, production credit associations, pawn brokers, and installment paper dealers.

Chart A

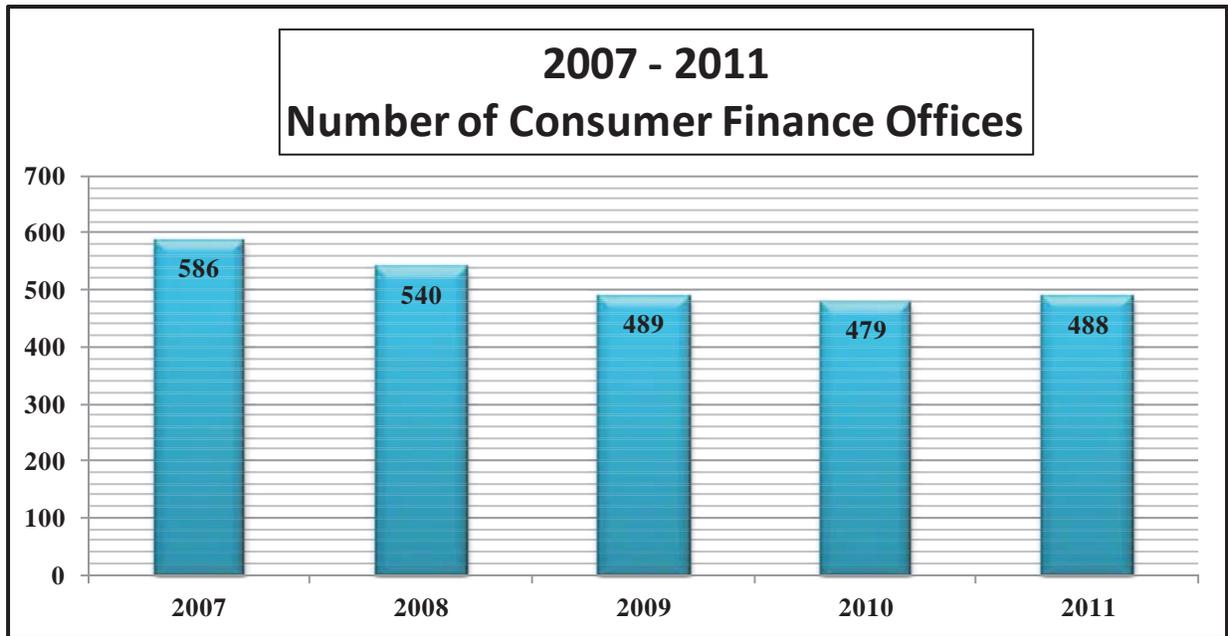
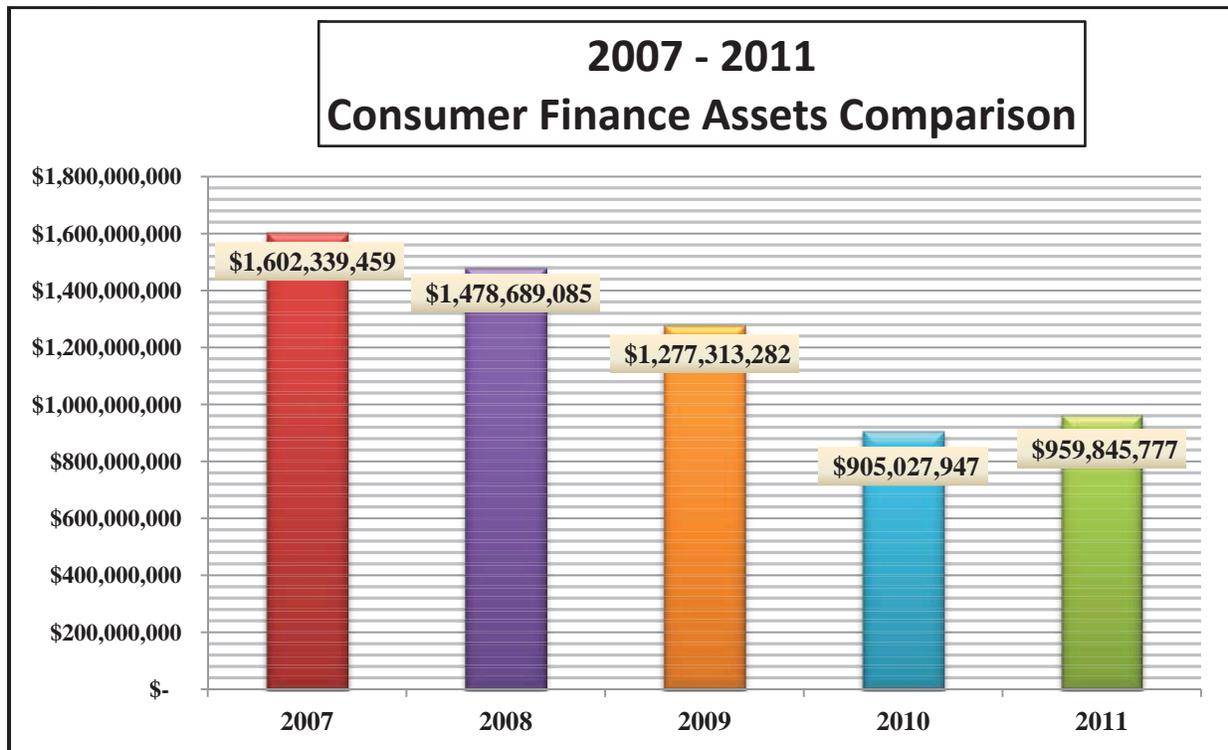


Chart B



Consumer Finance Act Licensees

December 31, 2011

| Licensee Home Office | Number of Branches | Loan Category | Loans Receivable (\$) |
|--|-----------------------|------------------|--------------------------|
| Allied Finance Company of Kannapolis, Inc. 2113 Dale Earnhardt Blvd. Kannapolis, NC 28082 | 2 | G.S. 53-176 | \$ 339,926 |
| Allied Financial Services, Inc. 821 Baxter Street, Suite 307 Charlotte, NC 28202 | 11 | G.S. 53-176 | 18,284,383 |
| Alpha Finance Company 38 East Cheek Street Sparta, NC 28675 | 1 | G.S. 53-176 | 896,022 |
| Amity Finance of Kings Mountain, Inc. 219 South Battleground Avenue Kings Mountain, NC 28086 | 1 | G.S. 53-176 | 1,494,315 |
| Amity Finance of Mooresville, Inc. 236 North Main Street Mooresville, NC 28115 | 1 | G.S. 53-176 | 404,363 |
| Amity Finance of Troy, Inc. 320 North Main Street Troy, NC 27371 | 1 | G.S. 53-176 | 261,001 |
| Amity Finance, Inc. 2477 East Ozark Avenue Gastonia, NC 28054 | 1 | G.S. 53-176 | 1,250,723 |
| Apple Valley Financial Services, Inc. 425 Linda Vista Dr. Hendersonville, NC 28792 | 1 | G.S. 53-176 | 59,775 |
| Atlantic Discount Corporation 1300 S. Croatan Highway Kill Devil Hills, NC 27948 | 3 | G.S. 53-176 | 3,748,827 |
| Basic Finance, Inc. 4664 NC Hwy 90 East Hiddenite, NC 28636 | 8 | G.S. 53-176 | 26,860,219 |
| Brighter Financial, Inc. 285 N. Talbert Blvd. Lexington, NC 27292 | 1 | G.S. 53-176 | 245,121 |

| Licensee Home Office | Number of Branches | Loan Category | Loans Receivable (\$) |
|---|-------------------------------|--------------------------|----------------------------------|
| Cape Fear Finance Company, LLC 108 McFarland Avenue Rossville, GA 30741 | 1 | G.S. 53-173 | 1,590,883 |
| Cape Fear Lending Inc. 7050 Market Street Wilmington, NC 28411 | 1 | G.S. 53-176 | 323,217 |
| Capitol Credit Company 745 Carolina Avenue Washington, NC 27889 | 2 | G.S. 53-176 | 2,852,413 |
| CAR Financial Services, Inc. 11020 David Taylor Drive, #115 Charlotte, NC 28262 | 2 | G.S. 53-173 | 0* |
| Cardinal Finance Company of Lumberton, Inc. 406 North Chestnut Street Lumberton, NC 28358 | 1 | G.S. 53-176 | 513,524 |
| Cardinal Finance Company of Whiteville, Inc. 608 S. Madison Street Whiteville, NC 28472 | 1 | G.S. 53-176 | 1,572,406 |
| Carolina Finance Company of Tarboro N.C., Inc. 423 Main Street Tarboro, NC 27886 | 1 | G.S. 53-173 | 173,590 |
| Carolina Finance, LLC 4190 Piedmont Parkway, Suite 101 Greensboro, NC 27410 | 2 | G.S. 53-176 | 294,697 |
| Caswell Financial Services, Inc. 9597 US 29 Business N. Ruffin, NC 27326 | 1 | G.S. 53-176 | 122,198 |
| Century Finance, Inc. 453 Sunset Avenue Rocky Mount, NC 27804 | 5 | G.S. 53-176 | 6,387,602 |
| Charlotte Arbutus Ballew 2755 Sugar Hill Rd., Suite A Marion, NC 28752 | 1 | G.S. 53-173 | 0* |
| CitiFinancial, Inc. NC 300 St. Paul Place, BSP17C Baltimore, MD 21202 | 9 | G.S. 53-176 | 51,770,334 |
| Coastal Finance Company, Inc. 4370-A Arendell Street Morehead City, NC 28557 | 6 | G.S. 53-176 | 8,022,726 |

| Licensee Home Office | Number of Branches | Loan Category | Loans Receivable (\$) |
|--|-------------------------------|--------------------------|----------------------------------|
| Colonial Credit, Inc. 810 N. Broad Street Edenton, NC 27932 | 1 | G.S. 53-176 | 191,295 |
| Consumer Financial Services Inc. 119 S. Van Buren Road Eden, NC 27288 | 1 | G.S. 53-176 | 1,971,639 |
| Cornerstone Loan Center, Inc. 3004 S. Memorial Drive Greenville, NC 27834 | 1 | G.S. 53-176 | 1,576,237 |
| Creekside Finance, Inc. 171 West Cornish Road Blowing Rock, NC 28605 | 4 | G.S. 53-176 | 4,092,782 |
| Federal Financial Services, Inc. 116 E. Market Elkin, NC 28621 | 3 | G.S. 53-176 | 4,496,443 |
| Future Financial Services, LLC 827 Hardee Road Kinston, NC 28504 | 4 | G.S. 53-176 | 3,206,601 |
| Green Cap Financial, LLC 2630 Ramada Road Burlington, NC 27215 | 5 | G.S. 53-176 | 6,220,696 |
| Greene Finance Corporation 141 N. Main Street Mount Airy, NC 27030 | 1 | G.S. 53-176 | 1,007,830 |
| Greenville Financial Services, Inc. 3101 S. Memorial Drive Greenville, NC 27834 | 1 | G.S. 53-176 | 1,156,408 |
| Hanover Financial Services, Inc. 4230 Market Street Wilmington, NC 28405 | 1 | G.S. 53-176 | 3,040,446 |
| Heritage Finance Co., Inc. 687 Rutherford Road Marion, NC 28752 | 2 | G.S. 53-176 | 1,261,858 |
| Holiday Finance of Statesville, Inc. 223 North Center Street Statesville, NC 28677 | 1 | G.S. 53-176 | 718,616 |
| Holiday Finance, Inc. 1410 Dale Earnhardt Blvd. Kannapolis, NC 28083 | 1 | G.S. 53-176 | 1,120,368 |

| Licensee Home Office | Number of Branches | Loan Category | Loans Receivable (\$) |
|--|-------------------------------|--------------------------|----------------------------------|
| Home Credit Corporation, Inc. 946 West Andrews Avenue Henderson, NC 27536 | 11 | G.S. 53-176 | 9,626,471 |
| Imperial Finance Company of Mount Olive, Incorporated 507-A N. Breazeale Avenue Mount Olive, NC 28365 | 1 | G.S. 53-176 | 929,176 |
| KR Finance, LLC 1834 Startown Road SE Hickory, NC 28602 | 1 | G.S. 53-176 | 227,143 |
| Lendmark Financial Services, Inc. 2118 Usher Street Covington, GA 30014 | 10 | G.S. 53-176 | 45,323,936 |
| M & J Loans, Incorporated 409 South LaFayette Street Shelby, NC 28151 | 1 | G.S. 53-176 | 800,355 |
| Macon Credit Company, Inc. 339 Westgate Road Franklin, NC 28734 | 1 | G.S. 53-173 | 913,210 |
| Marion Credit Company, Inc. 216 South Main Street Marion, NC 28752 | 1 | G.S. 53-173 | 1,477,065 |
| Metrolina Credit Company of Burlington, Inc. 2260 South Church Street, Suite 407 Burlington, NC 27216 | 1 | G.S. 53-176 | 445,259 |
| Metrolina Credit Company of Cabarrus, Inc. 845 Church Street North, Suite 106 Concord, NC 28025 | 1 | G.S. 53-176 | 776,970 |
| Metrolina Credit Company of Charlotte, Inc. 7140-A E. Independence Blvd. Charlotte, NC 28227 | 1 | G.S. 53-176 | 1,000,340 |
| Metrolina Credit Company of High Point, Inc. 1001 Phillips Ave, Suite 104 High Point, NC 27262 | 1 | G.S. 53-176 | 400,165 |
| Mid-East Acceptance Corporation of N.C., Inc. 3015 S. Memorial Drive Greenville, NC 27834 | 3 | G.S. 53-176 | 4,752,838 |

| Licensee Home Office | Number of Branches | Loan Category | Loans Receivable (\$) |
|---|-------------------------------|--------------------------|----------------------------------|
| Mitchell Credit Company, Inc. 155 Oak Avenue Spruce Pine, NC 28777 | 1 | G.S. 53-173 | 1,296,655 |
| National Finance Company, Inc. 1500 South Horner Boulevard Sanford, NC 27330 | 22 | G.S. 53-176 | 27,145,081 |
| New Southern Loans, Inc. 112 South Pearl Street Rocky Mount, NC 27804 | 4 | G.S. 53-176 | 6,150,523 |
| Nicholas Financial, Inc. 2454 McMullen Booth Rd, Bldg. C Suite 501B Clearwater, FL 33759 | 4 | G.S. 53-176 | 842,851 |
| North State Acceptance, L.L.C. 2305 East Millbrook Road Raleigh, NC 27604 | 6 | G.S. 53-176 | 4,509,806 |
| Omni Financial of North Carolina, Inc. One Radisson Plaza, Suite 804 New Rochelle, NY 10801 | 3 | G.S. 53-176 | 12,991,118 |
| OneMain Financial Services, Inc. 300 St. Paul Place, BSP17D Baltimore, MD 21202 | 96 | G.S. 53-176 | 109,872,314 |
| Port City Finance Company LLC 5733 Oleander Drive Wilmington, NC 28403 | 2 | G.S. 53-176 | 73,223 |
| Premier Home Services, Inc. 1534 North Bridge Street Elkin, NC 28621 | 1 | G.S. 53-176 | 759,042 |
| Professional Financial Services of North Carolina, LLC 181 Security Place Spartanburg, SC 29307 | 6 | G.S. 53-176 | 1,937,647 |
| Quality Finance Co., Inc. 2026 W. US 70 Highway Goldsboro, NC 27530 | 3 | G.S. 53-176 | 1,870,576 |
| Regional Finance Corporation of North Carolina 509 West Butler Road Greenville, SC 29607 | 24 | G.S. 53-176 | 37,024,326 |

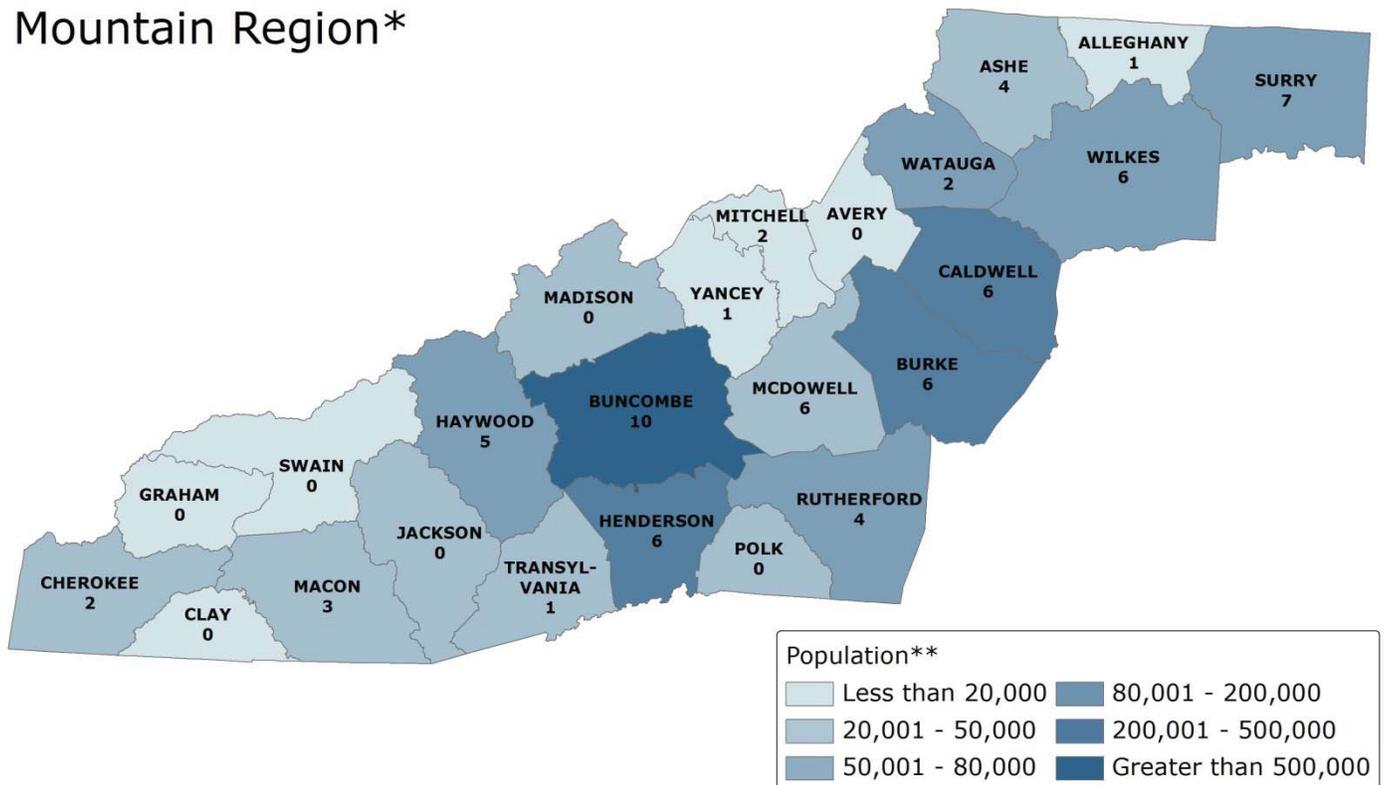
| Licensee Home Office | Number of Branches | Loan Category | Loans Receivable (\$) |
|--|-------------------------------|--------------------------|----------------------------------|
| Royalty Management Corporation 200 South Broad Street Edenton, NC 27932 | 4 | G.S. 53-176 | 7,052,805 |
| Sandhill Finance Company, Inc. Cross Pointe Place, 1701 North Sandhills Blvd. Aberdeen, NC 28315 | 1 | G.S. 53-176 | 1,660,270 |
| Security Credit Corporation 710 S. Brightleaf Blvd. Smithfield, NC 27577 | 1 | G.S. 53-176 | 2,619,594 |
| Security Finance Corporation of Lincolnton 181 Security Place Spartanburg, SC 29307 | 35 | G.S. 53-176 | 120,777,769 |
| Smithfield Financial Services, Inc. 130 Peedin Road Smithfield, NC 27577 | 1 | G.S. 53-176 | 472,683 |
| Southern Loan Corporation 972 A South Bennett Street Southern Pines, NC 28387 | 1 | G.S. 53-176 | 1,143,963 |
| Southern Loans, Inc. 112 S. Pearl Street Rocky Mount, NC 27804 | 5 | G.S. 53-176 | 7,416,307 |
| Springleaf Financial Services of America, Inc. 601 NW Second Street Evansville, IN 47701-0059 | 90 | G.S. 53-176 | 202,467,857 |
| Steele Financial Services, Inc. 143 N. Main Street, Suite 3 Kernersville, NC 27284 | 1 | G.S. 53-176 | 161,155 |
| The Money Shoppe, Inc. 211 N. Main Street Graham, NC 27253 | 1 | G.S. 53-176 | 318,884 |
| Time Investment Corporation 1501-C W. Arlington Blvd. Greenville, NC 27835 | 18 | G.S. 53-176 | 47,237,968 |
| Trophy Financial, Inc. 1301 Atkinson Street Laurinburg, NC 28352 | 1 | G.S. 53-176 | 1,785,905 |

| Licensee Home Office | Number of Branches | Loan Category | Loans Receivable (\$) |
|---|-------------------------------|--------------------------|----------------------------------|
| Turner Finance Co., Inc. 2418 North Main Avenue Newton, NC 28658 | 1 | G.S. 53-176 | 2,421,933 |
| Universal Acceptance Corporation 2600 Discovery Drive Raleigh, NC 27616 | 1 | G.S. 53-176 | 214,568 |
| Universal Finance, Inc. 839 Wilkesboro Blvd. Lenoir, NC 28645 | 9 | G.S. 53-176 | 18,610,659 |
| Wagner Financial Services, Inc. 175 Jonestown Road Winston-Salem, NC 27104 | 3 | G.S. 53-176 | 2,442,485 |
| Warren Finance Services Inc. 103 N. Main Street Warrenton, NC 27589 | 1 | G.S. 53-173 | 267,968 |
| Welcome Finance Company, Inc. 112 West Center Street Mebane, NC 27302 | 17 | G.S. 53-176 | 13,345,613 |
| Whitestone Financial CPS Inc. 1713 Spring Garden St. Greensboro, NC 27403 | 1 | G.S. 53-176 | 326,094 |
| Whitestone Financial, Inc. 1796 Silas Creek Parkway Winston-Salem, NC 27130 | 1 | G.S. 53-176 | 402,368 |
| TOTALS | 488 | | \$ 859,822,422 |

*Licensed as of December 31, 2011. However, no loans receivable were on licensees books of this date.

Number of Consumer Finance Branch Locations by Region and County

Mountain Region*



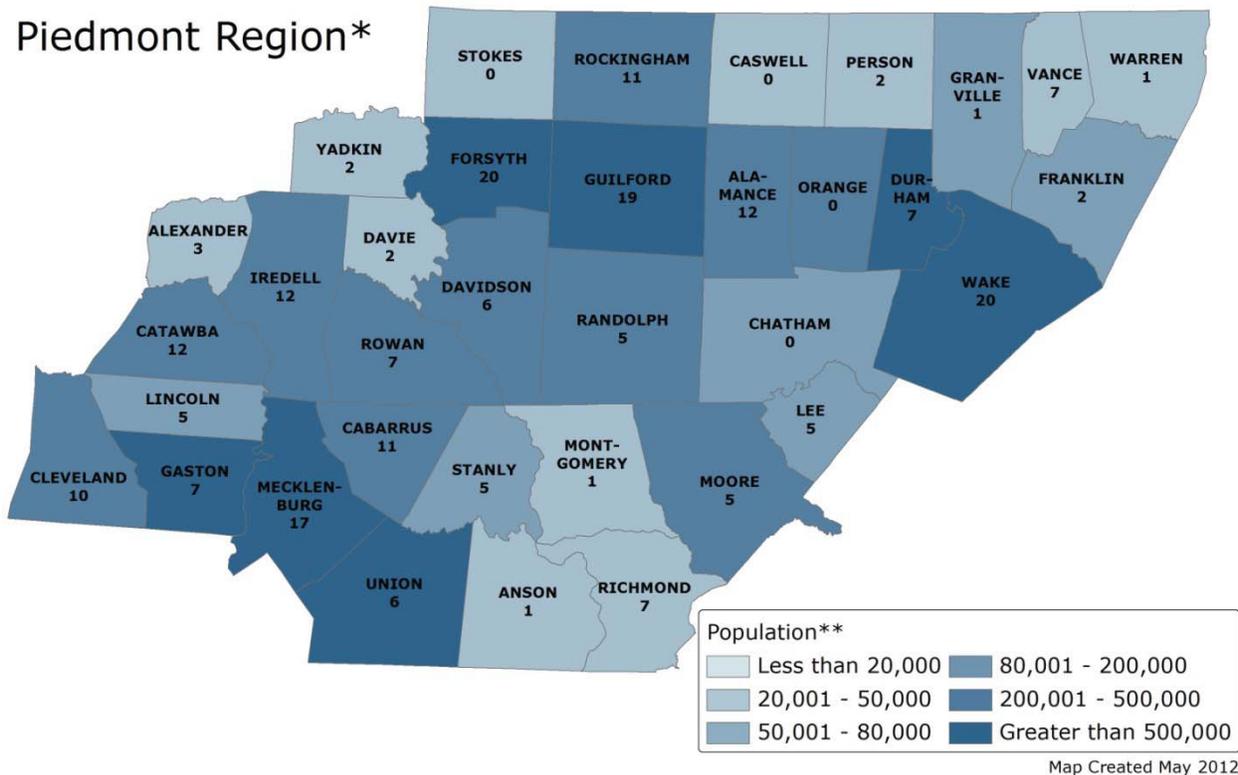
Map Created May 2012

* NC Climate & Geography (www.secretary.state.nc.us/kidspg/geog.htm)

** 2011 Provisional County Population Estimates July 2011 Estimate (www.osbm.state.ncosbm/facts_and_charts)

Number of Consumer Finance Branch Locations by Region and County

Piedmont Region*

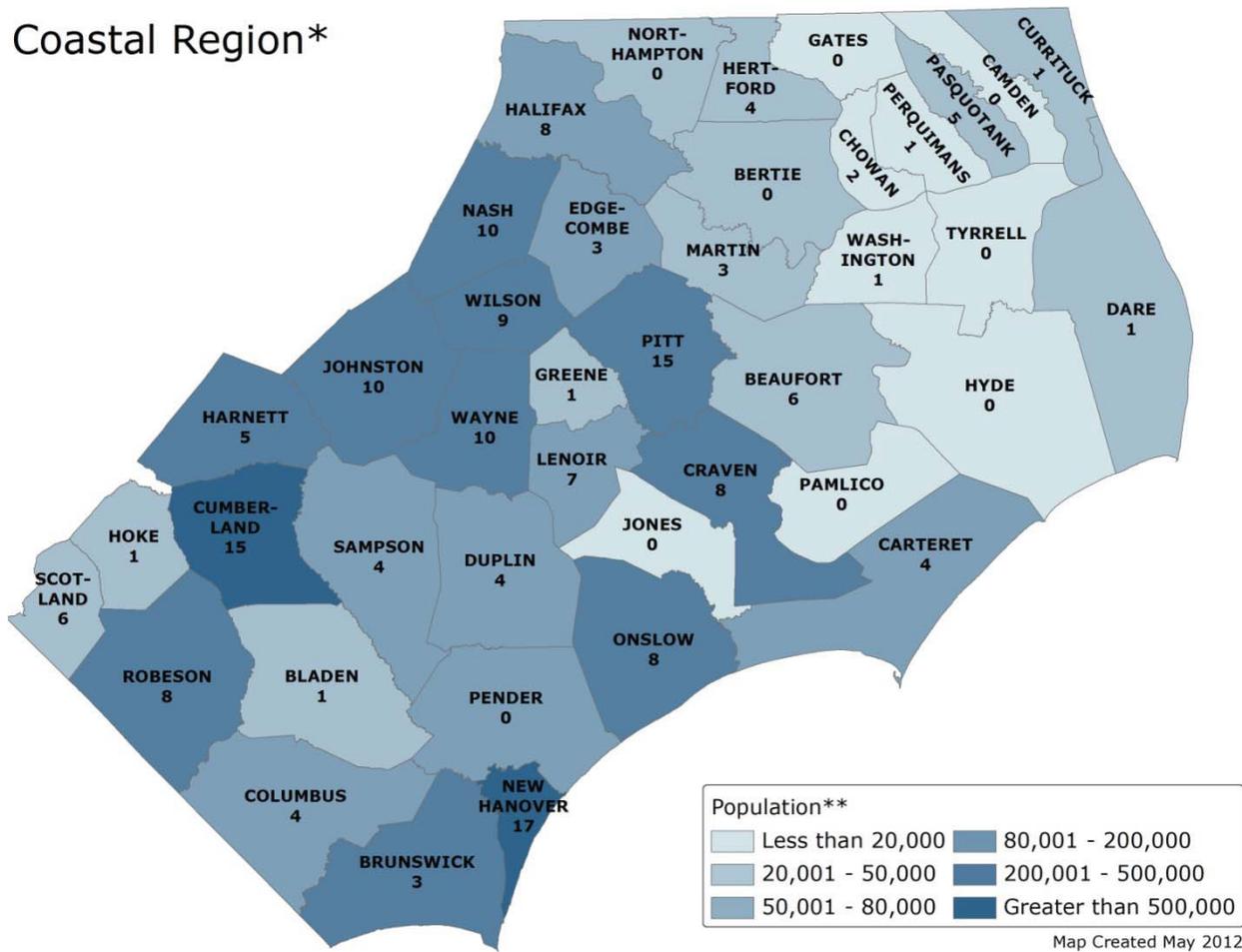


* NC Climate & Geography (www.secretary.state.nc.us/kidspg/geog.htm)

** 2011 Provisional County Population Estimates July 2011 Estimate (www.osbm.state.ncosbm/facts_and_charts)

Number of Consumer Finance Branch Locations by Region and County

Coastal Region*



* NC Climate & Geography (www.secretary.state.nc.us/kidspg/geog.htm)

** 2011 Provisional County Population Estimates July 2011 Estimate (www.osbm.state.ncosbm/facts_and_charts)

Consolidated Balance Sheet
January 1, 2011 - December 31, 2011

| Assets | 2011 | 2010 |
|-------------------------------------|--------------------|-----------------------|
| Cash _____ \$ | 24,981,488 | \$ 8,580,313 |
| Loans Receivable _____ | 859,822,422 | 862,651,593 |
| Less Reserve for Loan Losses _____ | 57,964,782 | 103,444,358 |
| Net Loans Receivable _____ | 801,857,640 | 759,207,235 |
| Real Estate _____ | 1,569,206 | 1,634,823 |
| Furniture and Equipment _____ | 10,971,964 | 8,850,085 |
| Unamortized Fee _____ | 543,285 | 104,919 |
| Other Assets _____ | 119,922,194 | 126,650,572 |
| Total Assets _____ \$ | 959,845,777 | \$ 905,027,947 |

Liabilities, Net Worth and Shareholders' Equity

| | | |
|--|--------------------|-----------------------|
| Accounts and Notes Payable | | |
| (a) Banks and other lending institutions _____ \$ | 148,854,223 | \$ 129,263,552 |
| (b) Parent company or affiliates _____ | 607,454,744 | 445,610,989 |
| (c) Other _____ | 45,958,567 | 45,243,206 |
| Total Accounts and Notes Payable _____ \$ | 802,267,534 | \$ 620,117,747 |
| Other Liabilities _____ | 34,398,249 | 19,103,258 |
| Total Liabilities _____ | 836,665,783 | 639,221,005 |
| Net Worth and Shareholders' Equity _____ | 123,179,994 | 265,806,942 |
| Total Liabilities, Worth And Shareholders' Equity _____ \$ | 959,845,777 | \$ 905,027,947 |

Consolidated Statement of Income and Expense
January 1, 2011 - December 31, 2011

Income

| | |
|---|-----------------------|
| Interest Collected and Earned on Loans under G.S. 53-173 and 53-176 _____ | 167,056,079 |
| Loan Processing Fees Under G.S. 53-173(a1) and G.S. 53-176(b) _____ | 6,277,072 |
| Insurance Income, Including Origination Fees _____ | 17,682,355 |
| NSF _____ | 859,001 |
| Other Income _____ | 26,278,896 |
| Total Income _____ | \$ 218,153,403 |

Expenses

| | |
|--|-----------------------|
| Salaries, wages, and benefits _____ | 69,573,114 |
| Occupancy expense _____ | 11,116,364 |
| Depreciation and amortization _____ | 1,600,442 |
| Interest Expense _____ | 41,860,650 |
| Provision for credit losses _____ | 30,775,400 |
| Other expenses _____ | 44,030,054 |
| Total Expenses, Before Income Taxes _____ | \$ 198,956,024 |

| | |
|--|----------------------|
| Net Income, Before Income Taxes _____ | 19,197,379 |
| Income Taxes (tax credits are entered as negative) _____ | 8,973,484 |
| Net Income _____ | \$ 10,223,895 |

Loan Classifications

January 1, 2011 - December 31, 2011

Loan Balances

| | Number | | Amount |
|--|----------------|-----------|--------------------|
| Loans Receivable, Beginning of Year* _____ | 333,169 | \$ | 861,508,532 |
| Loans Made During the Year _____ | 461,588 | | 1,233,173,285 |
| Loan Balances Purchased During the Year _____ | 19,090 | | 123,594,480 |
| Loan Balances Sold During the Year _____ | 44,039 | | 296,796,122 |
| Loan Balances Charged Off During the Year _____ | 24,410 | | 55,321,916 |
| Collections of Principal During the Year _____ | _____ | | 1,006,335,837 |
| Loans Receivable Outstanding at End of Period _____ | 362,200 | \$ | 859,822,422 |

Loans By Size

| Loans Made During the Year: | Number | | Amount |
|--|----------------|-----------|----------------------|
| (a) \$600.00 or less _____ | 15,242 | \$ | 7,508,804 |
| (b) Over \$600.01 to \$1,000.00 _____ | 36,237 | | 29,103,800 |
| (c) Over \$1,000.01 to \$3,000.00 _____ | 279,592 | | 483,447,900 |
| (d) Over \$3,000.01 to \$5,000.00 _____ | 64,091 | | 241,910,013 |
| (e) Over \$5,000.01 to \$7,500.00 _____ | 38,909 | | 235,036,575 |
| (f) Over \$7,500.01 to \$10,000.00 _____ | 27,517 | | 236,166,193 |
| Total Loans Made _____ | 461,588 | \$ | 1,233,173,285 |

Loans By Type of Security

| Loans Made During the Year: | Number | | Amount |
|---|----------------|-----------|----------------------|
| (a) Personal property _____ | 296,540 | \$ | 663,179,791 |
| (b) Signature endorsement _____ | 54,203 | | 250,068,561 |
| (c) Motor vehicles _____ | 98,777 | | 286,206,964 |
| (d) Other considerations _____ | 12,068 | | 33,717,969 |
| Total Loans Made During the Period _____ | 461,588 | \$ | 1,233,173,285 |

Loans By Type of Borrower

| Loans Made During the Year: | Number | | Amount |
|---|----------------|-----------|----------------------|
| (a) Which renewed existing accounts _____ | 303,744 | \$ | 829,065,690 |
| (b) To former borrowers _____ | 55,369 | | 128,159,207 |
| (c) To new borrowers _____ | 102,475 | | 275,948,388 |
| Total Loans Made During the Period _____ | 461,588 | \$ | 1,233,173,285 |

* Does not match prior year's published chart for loans outstanding at end of period due to unreported disposition of loan balances by companies no longer licensed at reporting date.

Other Consumer Finance Loan Data
January 1, 2011 - December 31, 2011

| | Number | | |
|--|---------------|----|--------------|
| Number of loan applications: | | | |
| (a) Approved* _____ | 449,044 | | |
| (b) Withdrawn _____ | 36,727 | | |
| (c) Denied _____ | 378,973 | | |
| | | | |
| Loans with specified fees collected: | | | |
| (a) Processing fees _____ | 314,573 | \$ | 8,543,756 |
| (b) UCC-1 _____ | 69,771 | | 1,317,574 |
| (c) Returned check fees _____ | 33,497 | | 992,742 |
| (d) Non-Filing fees: Third Party _____ | 108,554 | | 3,255,935 |
| (e) Non-Filing fees: Self Insurance _____ | 18,569 | | 551,062 |
| (f) Insurance Origination fees _____ | 365,623 | | 1,705,486 |
| | | | |
| Loans with credit insurance and net premiums collected: | | | |
| (a) Credit life insurance _____ | 352,794 | \$ | 12,699,542 |
| (b) Credit accident and health insurance _____ | 213,388 | | 21,309,539 |
| (c) Credit unemployment insurance _____ | 145,615 | | 18,235,133 |
| (d) Credit property insurance _____ | 284,373 | | 16,308,244 |
| | | | |
| As of December 31, total number and amount of loans: | | | |
| (a) Current or less than 30 days past due _____ | 337,714 | \$ | 827,812,115 |
| (b) 30-59 days past due _____ | 12,158 | | 22,404,288 |
| (c) 60-89 days past due _____ | 5,687 | | 10,508,890 |
| (d) 90 + days past due _____ | 13,169 | | 25,884,411 |
| | | | |
| Defaults, repossessions, and filing insurance: | | | |
| (a) Charged-off or otherwise uncollectable during year _____ | 26,531 | \$ | 67,985,456 |
| (b) Recoveries _____ | 6,915 | | 2,798,409 |
| (c) Where collateral was repossessed _____ | 2,635 | | 6,993,944 |
| (d) Where claim made against non-filing insurance policy _____ | 1,305 | | 1,775,633.00 |

* Approved applications do not necessarily reflect loans made in this reporting period.

Changes in Receivables and Related Categories

Chart C

| | 2010 | 2011 | % OF CHANGE |
|---------------------------|-------------|-------------|-------------|
| LOAN RECEIVABLES | 862,651,593 | 859,822,422 | -0.3% |
| LOAN LOSS RESERVES | 103,444,358 | 57,964,782 | -78.5% |
| TOTAL ASSETS | 905,027,947 | 959,845,777 | 5.70% |
| TOTAL LIABILITIES | 639,842,894 | 836,665,783 | 23.50% |
| NET WORTH OF FIRMS | 265,806,942 | 123,179,994 | -115.8% |

Chart C: The primary reason for the changes in loan loss reserves, total liabilities, and net worth of firms is a direct result of a restructure of a large licensee that occurred during the 2011 reporting year.

Chart D

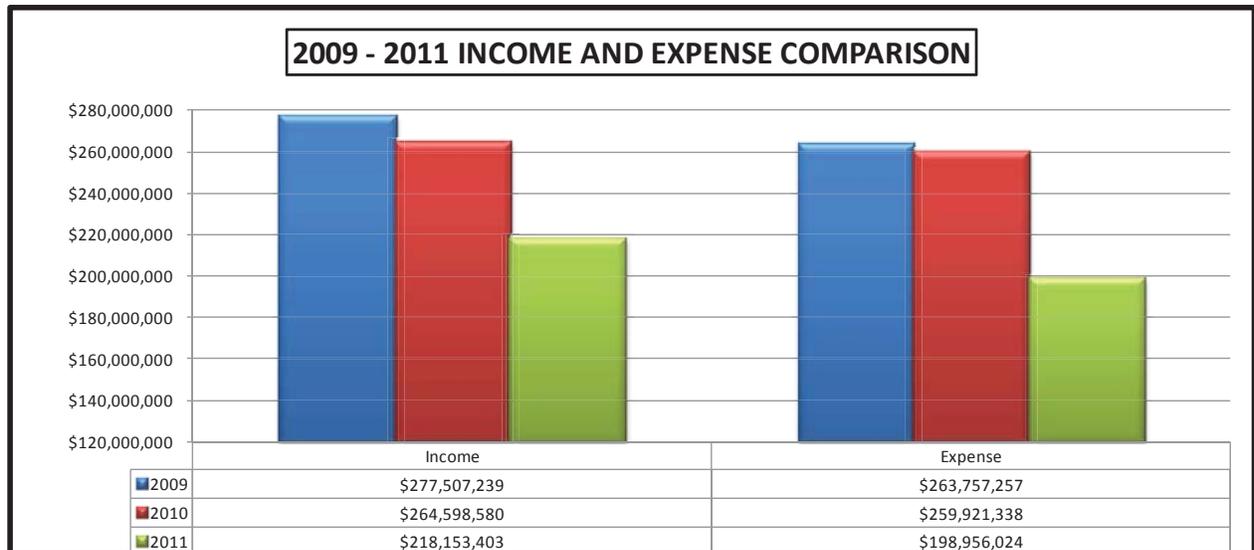


Chart D above shows a comparison of income and expenses of licensed Consumer Finance Lenders (CFLs) from 2009 – 2011.

Chart E

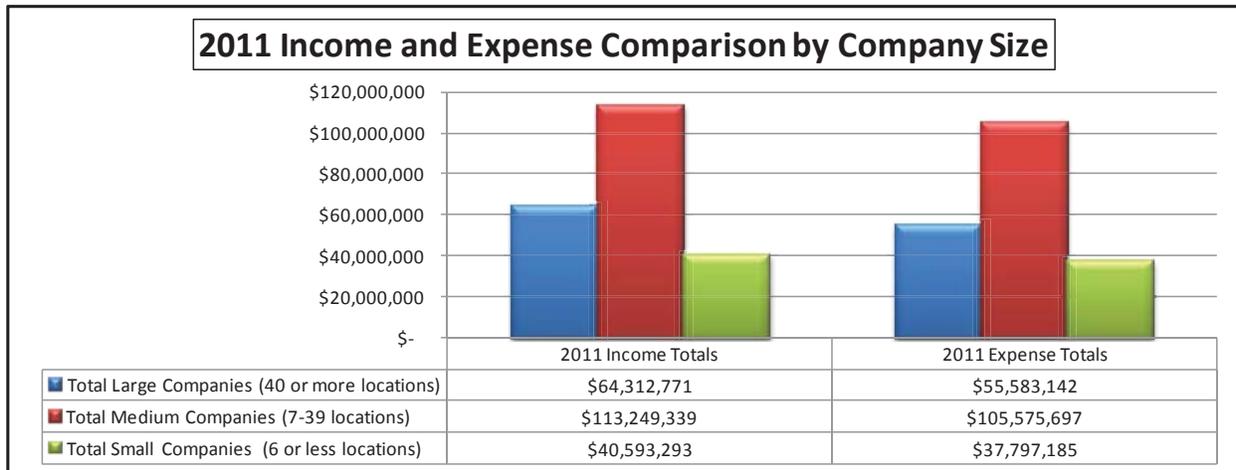


Chart E above shows 2011 income and expenses for large, medium and small companies. Income exceeded expenses in all three categories.

Chart F

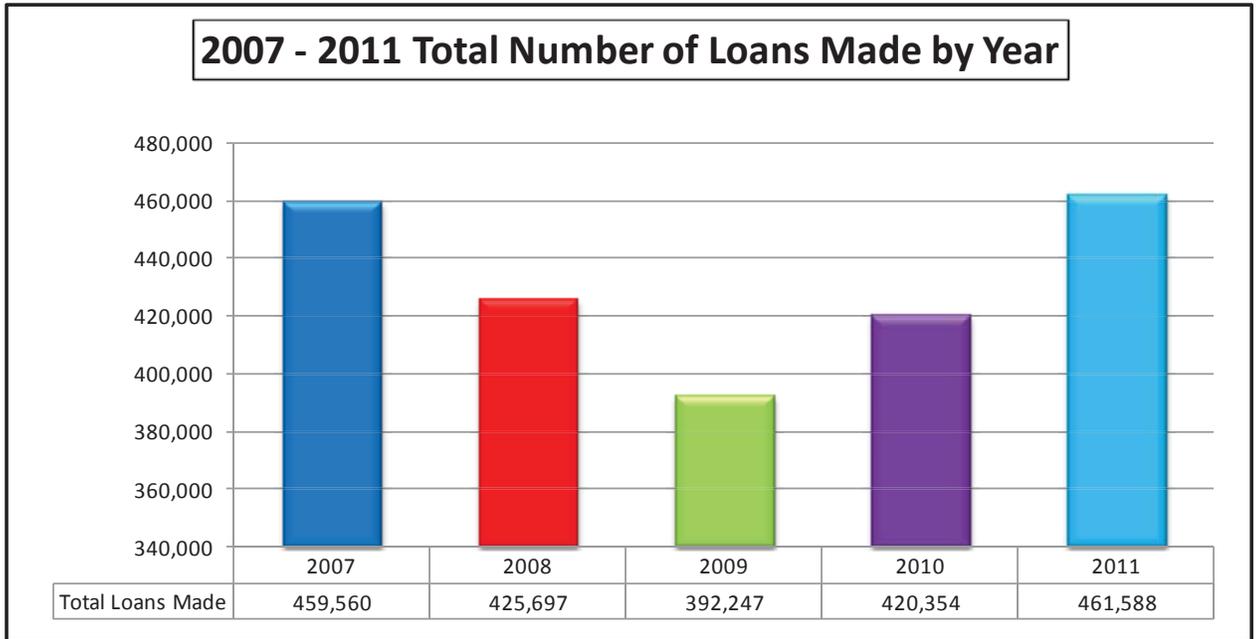


Chart G

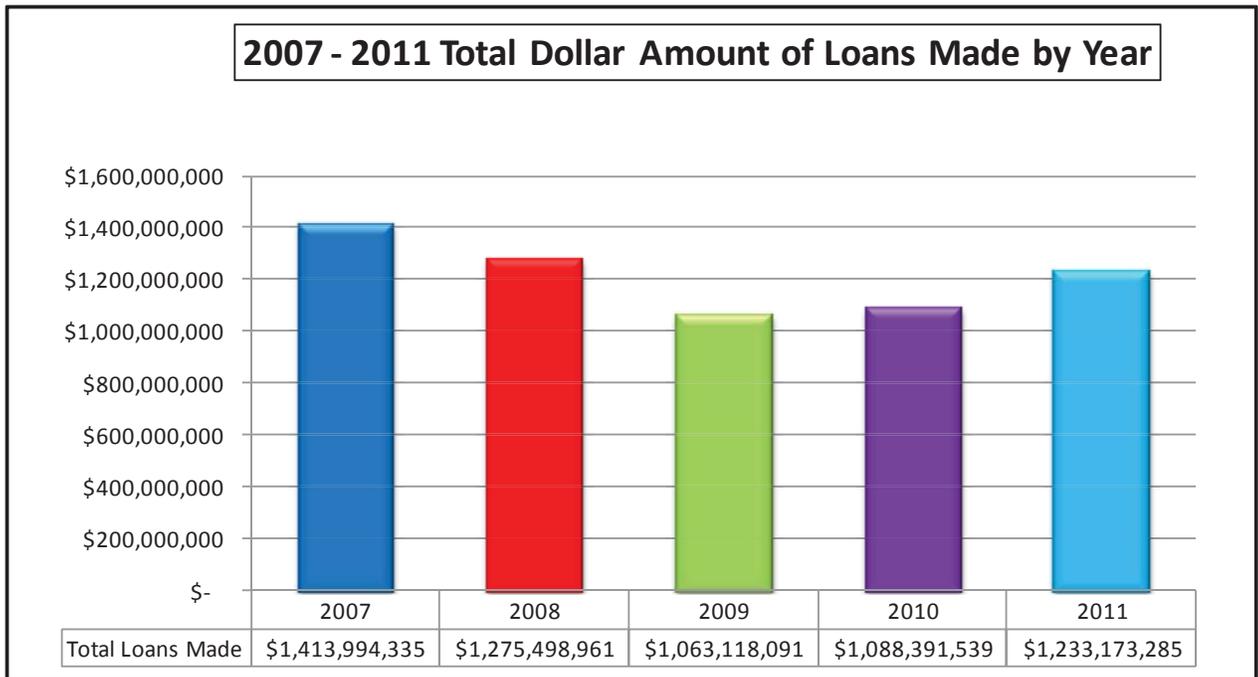


Chart F and G show the total number and dollar amount of loans made by licensed CFLs over the past five years. Both the number and dollar amount of loans made increased from 2010 to 2011.

Chart H

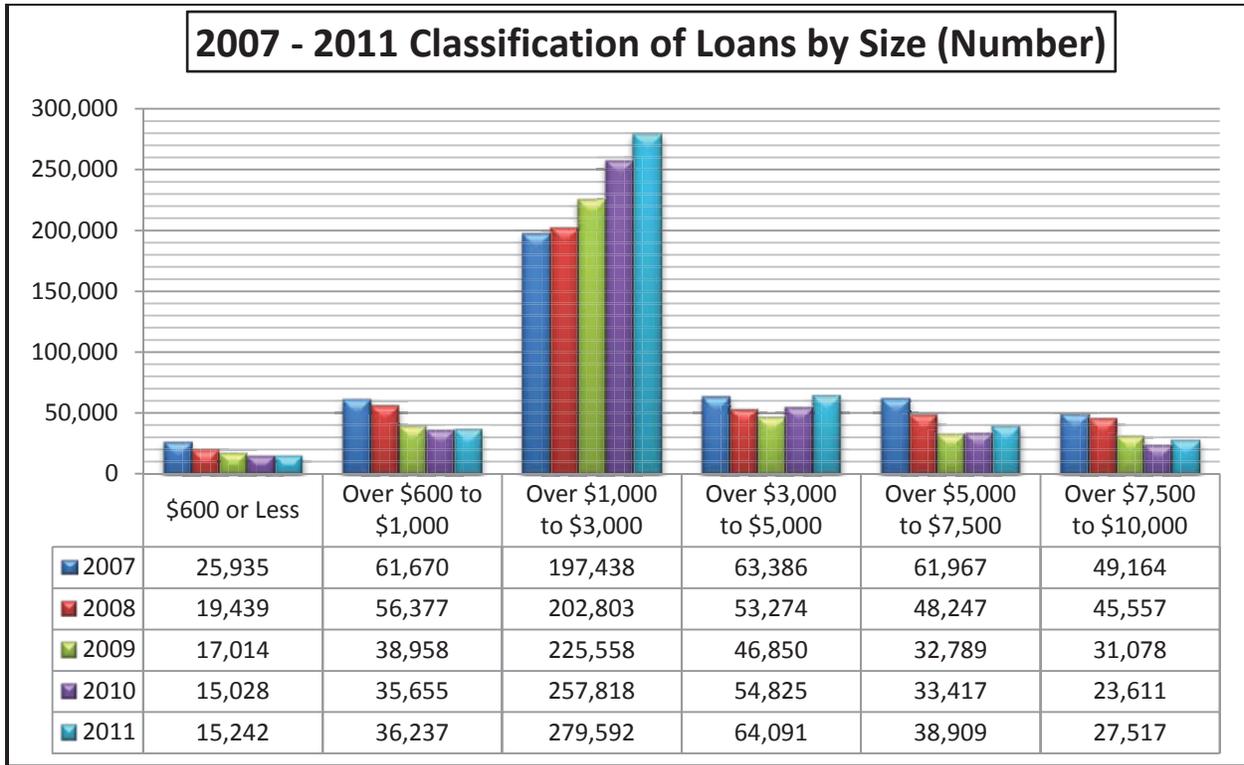


Chart I

| 2011 Loans by Size of Company (Number) | Large Companies (40 or more locations) | Medium Companies (7-39 locations) | Small Companies (6 or less locations) |
|--|--|-----------------------------------|---------------------------------------|
| \$600.00 OR LESS | 1,179 | 7,637 | 6,426 |
| \$600.01 TO \$1,000.00 | 2,174 | 20,825 | 13,238 |
| \$1,001.00 TO \$3,000.00 | 27,064 | 206,428 | 46,100 |
| \$3,000.01 TO \$5,000.00 | 24,759 | 29,686 | 9,646 |
| \$5,000.01 TO \$7,500.00 | 20,595 | 14,194 | 4,120 |
| \$7,500.01 TO \$10,000.00 | 13,503 | 12,216 | 1,798 |

Chart H shows the number of loans made over the past five years, as reported by licensed CFLs.

Chart I breaks down the data further showing the number of loans by size of company, as reported in 2011. Loans in the \$1,000 to \$3,000 classification account for the majority of loan volume as compared to the other individual loan classifications from 2010 to 2011.

Chart J

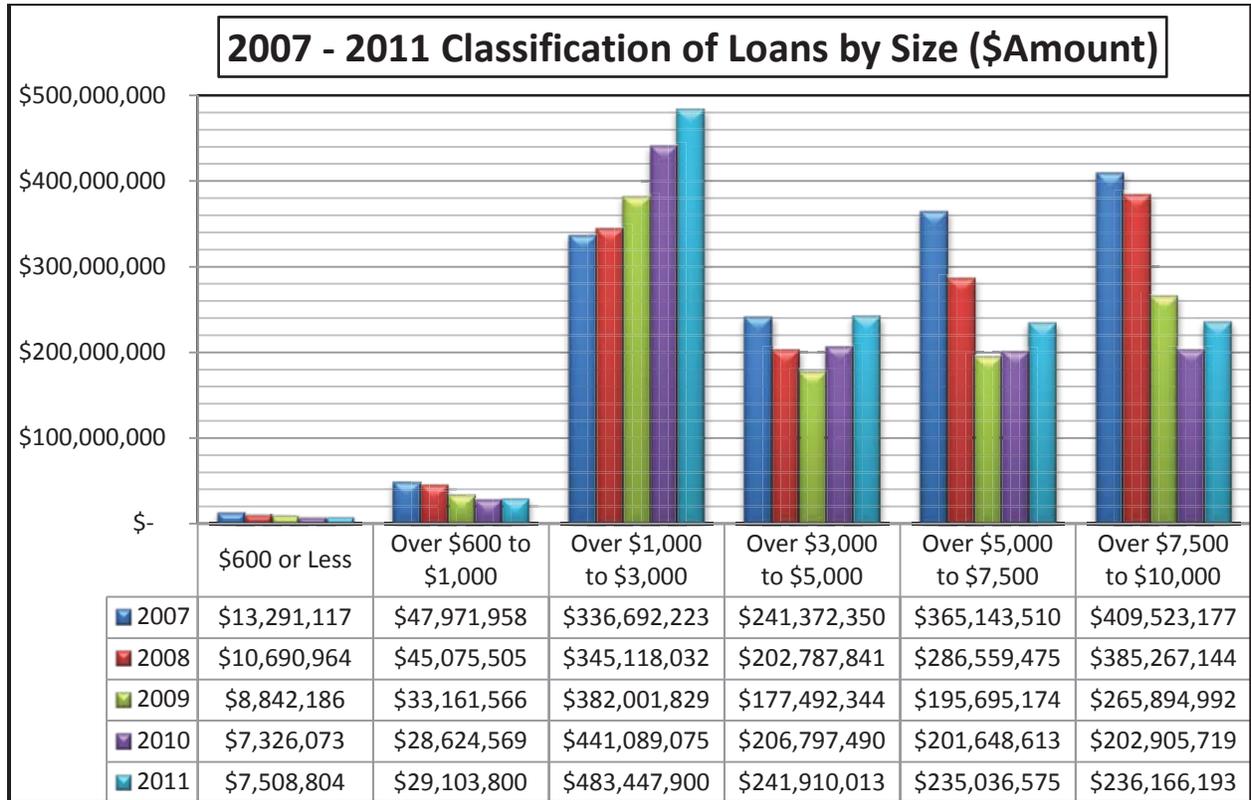


Chart K

| 2011 Loans by Size of Company (\$Amount) | Large Companies (40 or more locations) | Medium Companies (7-39 locations) | Small Companies (6 or less locations) |
|--|--|-----------------------------------|---------------------------------------|
| \$600.00 OR LESS | \$ 630,834 | \$ 3,715,858 | \$ 3,162,112 |
| \$600.01 TO \$1,000.00 | \$ 1,760,383 | \$ 16,853,744 | \$ 10,489,673 |
| \$1,001.00 TO \$3,000.00 | \$ 53,134,011 | \$ 349,682,853 | \$ 80,631,036 |
| \$3,000.01 TO \$5,000.00 | \$ 94,299,142 | \$ 111,107,041 | \$ 36,503,830 |
| \$5,000.01 TO \$7,500.00 | \$ 122,577,487 | \$ 87,508,787 | \$ 24,950,301 |
| \$7,500.01 TO \$10,000.00 | \$ 113,587,399 | \$ 106,826,543 | \$ 15,752,251 |

Chart J shows the dollar amount of loans made over the past five years, as reported by licensed CFLs.

Chart K breaks the data down further showing the dollar amount of loans by size of company, as reported in 2011. Loans in the \$1000 to \$3,000 classification accounts for the majority of dollar volume compared to the other individual loan classifications from 2010 to 2011.

Chart L

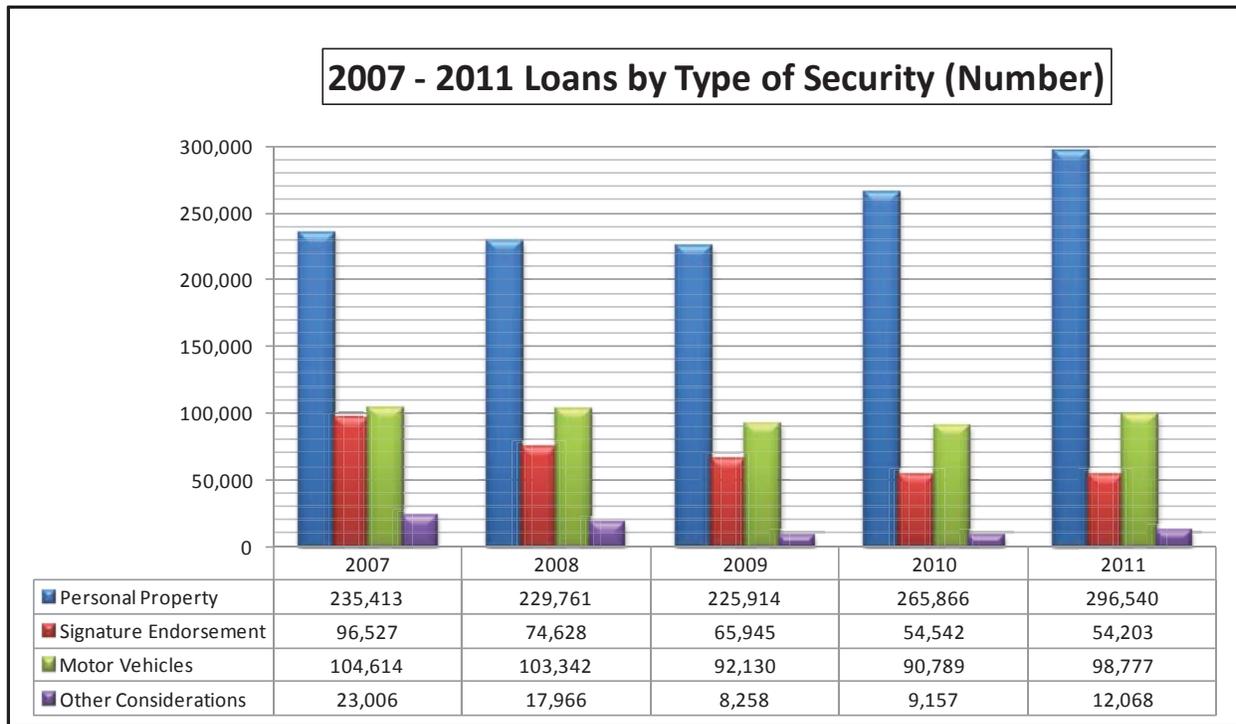
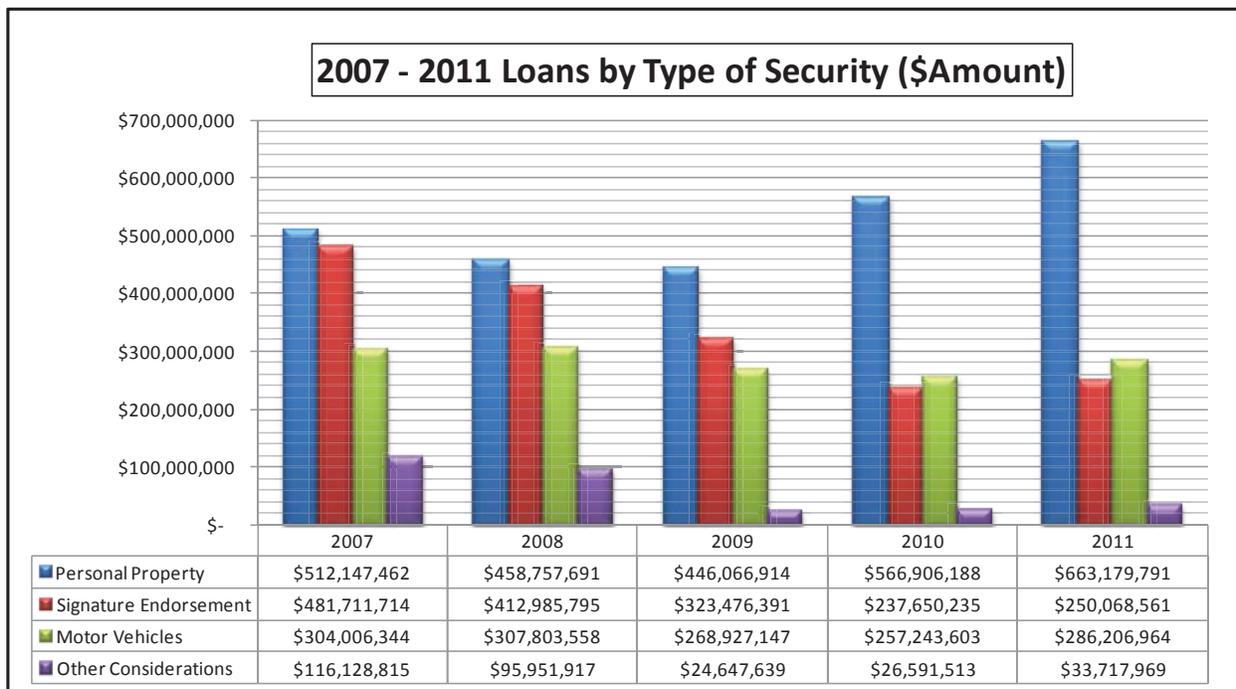


Chart M



Charts L and M above show the number and dollar amount of loans made over the past five years which were secured by personal property, signature endorsement, motor vehicle, or other considerations. The majority of increase has been in loans secured by personal property from 2010 to 2011.

Chart N

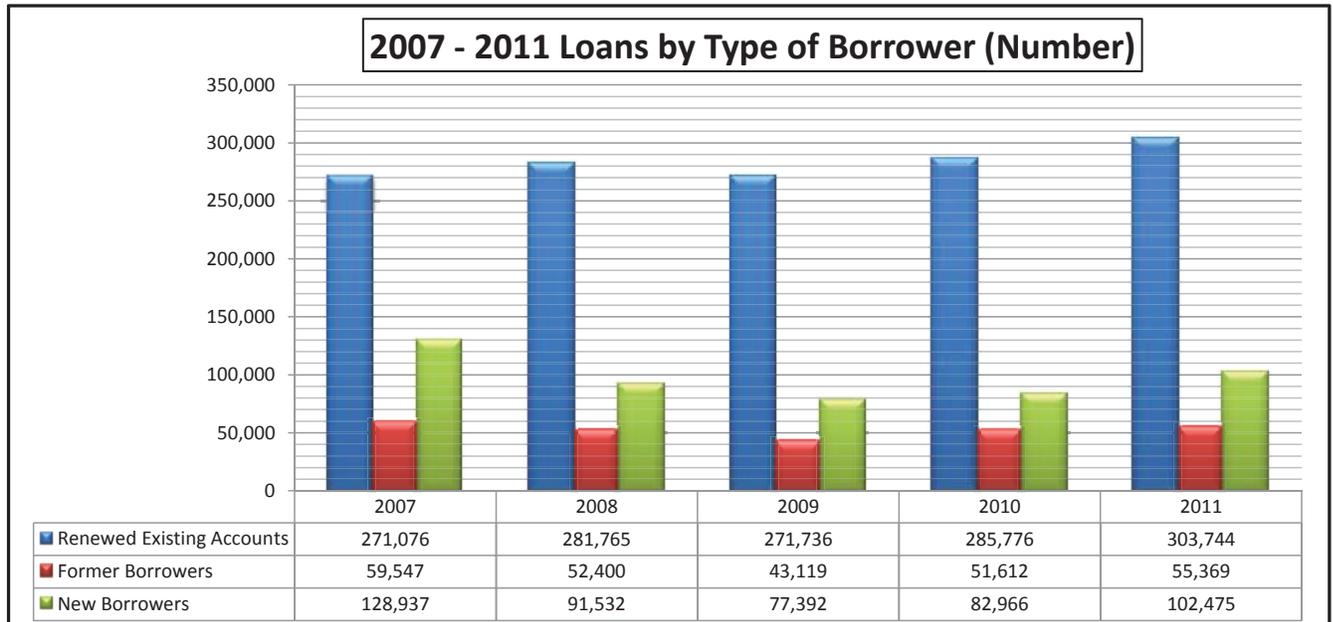
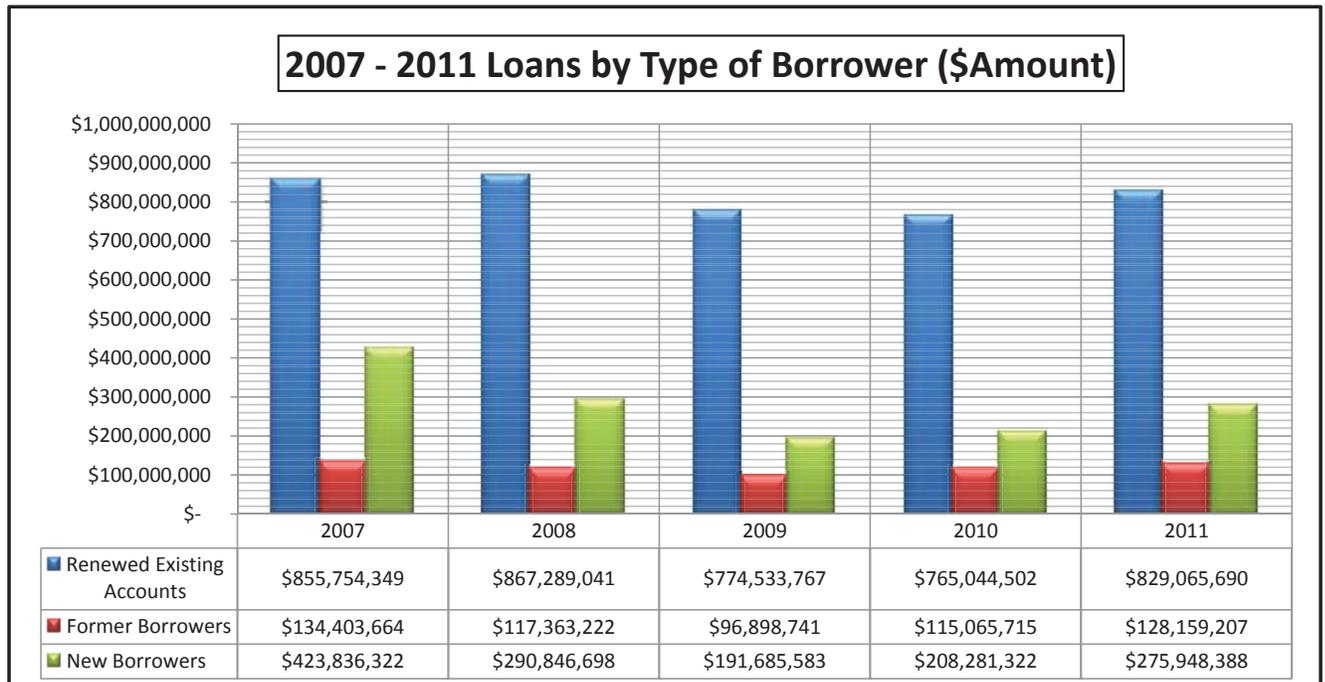


Chart O



Charts N and O above show the number and the dollar amount of loans made over the past five years to new borrowers, former borrowers, and renewals of existing customers. Both number and dollar amount of loans made over this time period have remained relatively proportionate in each of the three categories.