



Underwriting guidelines for payday/title lending license

1. Approximately what percentage of your loans will be made in each of the following categories?

Unsecured loans _____ %

Loans secured by car title _____ %

Other secured loans _____ %

Comments:

2. With respect to your secured loans, for approximately what percentage will you perfect your security interest?

Loans secured by car title _____ %

Other secured loans _____ %

Comments:

3. Describe the steps you will take to perfect your security interest for each type of loan security.

4. Approximately what percentage of your loans will be made for the following terms?

60 days or less _____ %

More than 60 days _____ %

Comments:

5. Approximately what percentage of your loans will have the following repayment terms?

Single payment _____ %

Interest-only payments with single payment of principal _____ %

Periodic payments with one or more larger (balloon) payments _____ %

Fully amortizing, equal monthly payments _____ %

Comments:

6. What interest rates and fees will you be assessing? What is the maximum APR you will be charging? Provide details. If tiering is used, explain criteria to determine customers' pricing.

Interest: _____

APR: _____

Fees: _____

Describe fees: _____

Comments: _____

Ability to Repay – Loan Underwriting

7. For approximately what percentage of loans will you use each of the following underwriting criteria to determine a borrower's ability to repay the loan? List n/a if you don't plan to use this criteria. In applying each of these criteria, what are the minimum standards that you will use to qualify a borrower for a loan?

		Minimum acceptable standards used
Review of credit reports:	_____ %	_____
Review of credit scores:	_____ %	_____
Income verification:	_____ %	_____
Employment history (ETC):	_____ %	_____
Direct credit verification:	_____ %	_____
Other criteria	_____ %	_____
Comments:		

8. In approximately what percentage of your loans would you use credit scoring?

9. Describe situations when you would make an exception to using the above underwriting criteria (e.g., loan renewal, second loan).

10. What determines the amount of funds you will lend?

11. Explain a situation in which you will provide multiple loans to the same person:

Required disclosure

The following must be disclosed:

1. Oregon allows an origination fee of 10% per \$100 or \$30 whichever is less
2. The loan term may not exceed 60 days
3. The allowable annual interest is 36%; the allowable APR must not exceed 153.77%
4. The consumer may make a payment in full or part at any time without penalty. If the consumer pays the loan early, they may be entitled to a prorated refund of the finance charge; however, the origination fee is fully earned and is not refundable.
5. The document must give the options for repaying the loan; check or EFT

Prohibited loan terms

Oregon law prohibits the following items to be on loan documents under OAR 441-735-0280:

1. A hold harmless clause
2. A confession of judgment or other waiver of the right to notice, and the opportunity to be heard in the event of suit or process
3. A provision in which the consumer agrees not to assert any claim or defense arising out of the contract against the licensee or any holder in due course; or
4. An executory waiver or a limitation of exemption from attachment, execution, or other process on real or personal property held, owned by, or due to the consumer, unless the waiver applies solely to property subject to a security interest executed in connection with the loan.

Understanding of applicable laws

Licensee is responsible for understanding and being in compliance with ORS Chapter 725A and OAR Chapter 441, Div 735.

Disclaimer:

The granting of an Oregon payday/title lender license is not an approval of loan applications and other required documents for licensing purposes. Licensee is solely responsible for compliance with Oregon and federal law.

Name of company (applicant): _____ NMLS Number: _____

By: _____

Signature

Date

Print name and title

