RESIDENTIAL MORTGAGE LOAN REPORT

Senate Bill 1556 signed into law on September 30, 1987 amended the Housing Financial Discrimination Act of 1977 more commonly known as the Holden Act (Sections 35814 through 35816, California Health and Safety Code) to require DOC licensees who are lenders in certain types of loan transactions to report all activity related to the application of, and loans made to the public for home purchase and/or home improvement purposes. If a DOC licensed lender reports under the provisions of the federal Home Mortgage Disclosure Act, then it is not necessary to report to the DOC.

The State of California Residential Mortgage Loan Report (HDN 1) must be submitted to the DOC by all DOC licensed lenders:

•whose assets total $10 million and less and who regularly make real estate purchase and/or home improvement loans and do not report to a state or federal agency.

OR

•whose assets total more than $10 million and who regularly make real estate purchase money and/or home improvement loans and fall under the broad reporting requirements of the federal Home Mortgage Disclosure Act (Reg. C) as a depository or non-depository financial institution, but elect not to report under the federal program.

All lenders making 10% or more in qualifying loans are required to report to the appropriate state or federal agency or provide an explanation of any exemption claimed accompanied by appropriate points and authorities.

"Regularly" is defined to mean at least twelve or more transactions annually during the immediately preceding calendar year that in aggregate total more than $500,000 in value. Only licensed lenders making 10% or more in qualifying loans during the calendar year are required to report.

This mortgage lending data was to be collected annually beginning January 1, 1990, and reported on the designated HDN 1 by March 31 of each year.

The HDN 1 format requires DOC mortgage lenders located in counties which have been classified as Metropolitan Statistical Areas (MSA's) by the U.S. Bureau of the Census to report all loan activity by MSA number and to further break down this activity per Census Tract within each individual MSA. A separate HDN 1 must be submitted for each MSA where applications are taken and loans made in which the lender has a place of business. As stated, each transaction (application and/or loan) within each MSA must then be itemized by Census Tract in numerical sequence. For all applications received and loans made in MSA's where the lender does not maintain a place of business, the reported information is to be totaled and included in Section 2 of the HDN 1.

For those DOC lenders whose place of business is located in a county that has not been assigned a MSA number, applications and/or loans should be reported in aggregate per county of business locations in Section 1 of the HDN 1. All applications and/or loan activity which occurs outside the county or counties of place of business locations, whether the transactions have occurred in a MSA assigned area or not, will be reported as an aggregate total in Section 2.

In response to the many inquires received by the DOC, the counties have been assigned an MSA by the U.S. Bureau of the Census (2000 Census) and the corresponding MSA number, are listed below in Figure 1 for your information.

It should be noted that some MSA numbers have been assigned to more than one county. For example, loan transactions in Alameda and San Francisco counties would all be included under MSA number 41860 and recorded on one HDN 1. Each transaction would then be listed by Census tract in numerical sequence under Section 1.

The following counties in Figure 2 were not assigned MSA numbers by the U.S. Bureau of the Census in the 2000 Census:

Figure 2

Alpine	Amador
Calaveras	Colusa
Del Norte	Glenn
Humboldt	Inyo
Lake	Lassen
Mariposa	Mendocino
Modoc	Mono
Nevada	Plumas
Sierra	Siskiyou

Figure 1

COUNTY MSA NUMBERS

Alameda	41860	San Bernardino	40140
Butte	17020	San Diego	40740
Contra Costa	36084	San Francisco	41860
El Dorado	40900	San Joaquin	44700
Fresno	23420	San Luis Obispo	42020
Imperial	20940	San Mateo	41884
Kern	12540	Santa Barbara	42060
Kings	25260	Santa Clara	41940
Los Angeles	31100	Santa Cruz	42100
Madera	31460	Shasta	39820
Marin	41884	Solano	46700
Merced	32900	Sonoma	42220
Monterey	41500	Stanislaus	33700
Napa	34900	Sutter	49700
Orange	31100	Tulare	47300
Placer	40900	Ventura	37100
Riverside	40140	Yolo	40900
Sacramento	40900	Yuba	49700
San Benito	41940		
San Bernardino	40140		
Riverside	40140		

Should you require additional information relating to MSA and Census Tract numbers for reporting purposes, some census-based materials are available commercially. In conjunction with the MSA numbers provided in this S.B. 1556 Thomas Brothers' Map Guides, Census Tract Edition, are available for sale at most stationary store outlets. These map guides are typically produced on a county-by-county basis, with each county broken down into easily recognized Census Tracts.

Should additional assistance or information be required to determine the applicable Census Tracts for property located in the MSAs provided, various area government associations have compiled listings of all Census Tracts within their specific area of influence. These regional offices may be contacted to purchase Census Tract information as necessary. Please be advised that requests for specific property locations will not be provided over the telephone.

Regional points of contact include:
ASSOCIATION OF BAY AREA GOVERNMENTS, ABAG

Joseph P. Bort Metro Center
101 Eighth Street
Oakland, CA 94607
(510) 464-7900
www.abag.ca.gov

SAN DIEGO ASSOCIATION OF GOVERNMENTS

Wells Fargo Plaza
401 B Street, Suite 800
San Diego, CA 92101
(619) 699-1900
www.sandag.cog.ca.us

SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS

818 West 7th Street, 12th Floor
Los Angeles, CA 90017
(213) 236-1825
www.ca.gov

SACRAMENTO AREA COUNCIL OF GOVERNMENTS

1415 L Street, Suite 300
Sacramento, CA 95814
(916) 321-9000
www.sacog.org

Finally, for specialized information, assistance and guidance, to include large volume, computer aided applications, regional offices of the Bureau of the Census may also be helpful.

For California, inquires should be directed to:

BUREAU OF THE CENSUS

Census Bureau Library
15350 Sherman Way, Suite 400
Van Nuys, CA 91406
(818) 267-1700
www.census.gov

If there are questions regarding this information or either form, DOC licensed lenders may contact:

Department of Corporations
1-866-ASK-CORP
or 1-866-275-2677
www.corp.ca.gov

Tips on Common Reporting Errors noted in last year's reports. Please consider the following when completing your report:

1. *CENSUS TRACT*- Please be sure that the census tract number, NOT the county name is listed. Please also check to make sure that the census tract number is a valid one.

2. *NUMBER OF APPLICATIONS /LOANS*- Errors occur when loans are reported and the number of applications is either omitted or is less than the number of loans reported. There must be at least as many applications as there are loans.

3. *PRINCIPAL AMOUNT*- Show the amount in thousands. A $100,000 loan would be reported as $100 and a $1,100,000 loan would be reported as $1,100.

4. MSA- Please make sure the correct MSA number is listed. Errors occur when valid census tract numbers are listed for a county but the MSA number listed is actually for another county.