

**STATE OF LOUISIANA  
OFFICE OF FINANCIAL INSTITUTIONS  
BATON ROUGE, LOUISIANA**

**October 7, 2008**

**POLICY NO. LL-01-08**

**EXAMINATION PLANNING GUIDELINES FOR LICENSED LENDERS**

**PURPOSE:**

The purpose of this policy is to establish guidelines and set priorities for licensed lender compliance examinations.

**TO WHOM THIS REGULATION APPLIES:**

This policy applies to all field office personnel who perform licensed lender compliance examinations.

**SPECIFICS: The frequency for performing compliance examinations is as follows:**

Installment Loan Companies:

- 1) New licensees with single locations and unaffiliated with any other licensee are to be examined within 120 to 180 days after initial licensing, then annually until the licensee achieves 2 consecutive years with no major violations cited, then examine on a 2 year cycle. Major violations are violations for overcharges, excessive fees/charges, incorrect rebates/refunds, failure to make insurance claims, and other violations pertaining to money owed to consumers. Major violations of the Deferred Presentment and Small Loan Act include, but are not limited to, any violations of LSA-R.S. 9:3578.4, Finance charge and fees, R.S. 9:3578.5, Rebate upon prepayment, and R.S. 9:3578.6, prohibited acts.
- 2) Licensees affiliated through common ownership or through a Parent/Subsidiary relationship are to be examined annually until the licensee obtains 2 consecutive exams with no major violations, then each district should examine one location in the affiliated group every year but no location more frequently than of every 3 years.

The Commissioner may, at his discretion, require examinations more frequently should he find that the public safety or welfare is threatened.



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John Ducrest, Commissioner