

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

Revised Effective January 14, 2004

**POLICY NO. LL-01-04
[Rescinds Policy No. LL-01-01]**

Records Retention Schedule

**Louisiana Consumer Credit Law
Deferred Presentment and Small Loan Act**

PURPOSE:

To provide a schedule of minimum records to be retained by persons subject to the Louisiana Consumer Credit Law ("LCCL") and the Deferred Presentment and Small Loan Act ("DPSLA"). The records required to be maintained have been deemed necessary for this Office to determine compliance with the LCCL and DPSLA.

TO WHOM THIS POLICY APPLIES:

All lenders who make consumer loans subject to the Louisiana Consumer Credit Law and the Louisiana Deferred Presentment and Small Loan Act.

SPECIFICS:

Records required to be maintained by this policy shall be available for examination by the commissioner or his designee at the location listed on the lender's license or at a location approved by the commissioner pursuant to a written request for a variance. Maintained records may be reproduced by any photographic, photostatic, microfilm, microcard, or miniature or microphotograph process, or by any mechanical or electronic recording or optical imaging, chemical process, or other process or technique which accurately reproduces the original or creates a durable medium for accurately reproducing the original record.

Records must be maintained after a loan is paid in full for a minimum of 24 months or until the next examination, whichever is later. During an investigation of alleged violations or an administrative enforcement proceeding, records are to be maintained until the investigation or proceeding is complete. The commissioner in his sole discretion, after giving written notice, may require records to be maintained for a longer period of time.

After considering the particular facts and circumstances of an individual licensed lender's record keeping procedures and the public interest in promoting the efficiency and effectiveness of compliance examinations, the commissioner may approve a written request for a variance to any requirement in this policy.

The following records are to be maintained:

1. All loan documentation signed by the borrower, including, but not limited to:
 - a. note;
 - b. disclosure statement;
 - c. financing statement (or equivalent).

2. Loan history of each individual borrower (ledger card or printable computer screen) showing the following:
 - a. Loan amount
 - b. origination date
 - c. repayment terms
 - d. insurance charges, whether sold in connection with the loan or not
 - e. total finance charge
 - f. annual contractual percentage rate
 - g. date, amount and application of each payment
 - h. date and amount of late charges assessed
 - i. date and amount of deferral charges
 - j. remaining unpaid balance
 - k. due date of first payment
 - l. all changes in due date of payment
3. All paid out accounts (including those paid out by renewal) must be filed separately and contain the following:
 - a. interest rebate
 - b. itemized rebate of all insurance premiums
4. Accounts turned over to an attorney for collection:
 - a. amount paid to attorney, including court costs and attorney fees shown as separate charges
 - b. receipt from Clerk of Court, evidencing court costs
5. Accounts reduced to judgement:
 - a. same documents as for attorney accounts
 - b. receipt from Clerk of Court, evidencing any additional court costs including any costs associated with any default remedies sought
 - c. copy of signed judgement
6. Credit insurance death claims
 - a. copy of death certificate
 - b. copy of all checks or other evidence of payment received from insurance company in payment of claim
 - c. copy of check evidencing payment to secondary beneficiary, where applicable
7. Insurance records:
 - a. copy of master policy for each type of insurance sold to borrowers
 - b. copy of rates approved by the Insurance Rating Commission, except for those established by the Louisiana Consumer Credit Law
 - c. lenders will be expected to provide proof of compliance as set out by the commissioner of insurance
 - d. proof of remittance of premiums to the previous underwriter
8. Paid out accounts containing errors cited at the previous examination:
 - a. must be separately filed or identified
 - b. must have proof of correction of error, including copies of refund checks issued to borrower

9. Club Membership: sale and financing of club memberships authorized or allowed under the Louisiana Consumer Credit Law, including but not limited to, thrift and buying clubs, auto clubs or similar consumer benefit club memberships:
 - a. written disclosures made to the borrower that the sale of the club membership is not a factor in the approval of a consumer loan
 - b. borrower's specific affirmative written indication of his desire to purchase the club membership after receiving written disclosure of the cost
 - c. written disclosures made to the borrower of club membership's cost and length of term
 - d. copies of all brochures, promotional materials, club membership contracts, or other documents or materials whether written, videotaped, or in other documents or in electronic form, which borrowers are offered, shown, given or signed in connection with the offer, sale and financing of club memberships

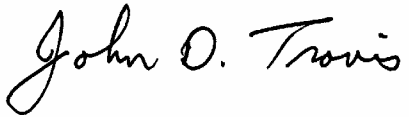
Licensed lenders who make loans pursuant to the Deferred Presentment and Small Loan Act may offer prepaid telephone services and telephone-related products provided they maintain certain records of their sales of these products to enable the commissioner to verify that these goods and services are not financed. Lenders shall maintain a list of these sales with the following information on the individuals who purchase these items:

- a. a copy of the signed contract;
- b. the name, address and phone number of the individual who purchased the product or service;
- c. the date of the sale and the sales price;
- d. the number of days that the contract is in force.

Licensed lenders who originate loans pursuant to the Residential Mortgage Lending Act shall maintain the following records:

1. The original or copy of all documentation dated and signed by the borrower **and** loan originator, including, but not limited to:
 - a. uniform residential loan application (Fannie Mae Form 1003)
 - b. mortgage loan origination agreement (within 3 days of the application date)
2. The original or copy of all documentation dated and signed by the Borrower, including, but not limited to:
 - a. Initial Truth-in-Lending Disclosure (within 3 days of the application date)
 - b. Final Truth-in-Lending Disclosure (at settlement)
 - c. Good Faith Estimate (within 3 days of the application date)
 - d. Notice of Right to Receive Copy of Uniform Residential Appraisal disclosure (provided any time during the loan process prior to settlement)
 - e. Equal Credit Opportunity Act Disclosure (within 3 days of application date)
 - f. Notice of Right to Cancel (for refinanced loans at settlement)
 - g. Notice of Action Taken (within 3 business days of receiving notice that loan is denied or within 30 calendar days of receiving an application denied by creditor)
 - h. Affiliated Business Agreement (Disclosure) given within 3 days of application
 - i. Notice of Transfer Servicing Disclosure (if funding the loan)
 - j. Signed verification that the applicant received the "Settlement Cost Booklet" (for a purchase within 3 days of the application date)

- k. Borrower's written authorization giving broker/lender permission prior to ordering a credit report.
1. HUD-1/HUD-1A Settlement Statement (at settlement)
3. A log of all residential mortgage loan applications taken, including originator's name, applicant's name and address, application date, loan amount, loan status (i.e. closed, rescinded, pending, denied), and to whom loans were sold, transferred, or brokered.
4. Bank statements and cancelled checks of all business accounts related to residential mortgage lending activity.
5. Receipts and invoices of all third-party transactions including but not limited to, appraisers, credit bureau, title companies, couriers, etc.
6. Copy of receipts that must be provided to borrowers for all funds collected in connection with procurement of a loan.



John Travis, Commissioner