



**STATE OF WASHINGTON**

**DEPARTMENT OF FINANCIAL INSTITUTIONS  
DIVISION OF CONSUMER SERVICES**

P.O. Box 41200 ● Olympia, Washington 98504-1200  
Telephone (360) 902-8703 ● TDD (360) 664-8126 ● FAX (360) 664-2258 ● <http://www.dfi.wa.gov>

March 3, 2008

**TO:** Check Casher and Check Seller Licensees, including those with a Small Loan Endorsement (Payday Lenders)

**RE:** 2007 Annual Report and Assessment due April 15, 2008

Dear Licensee:

Enclosed are blank copies of two reports required for Licensees of the Check Cashers and Sellers Act:

- 1. Annual Assessment Report (AAR)**
- 2. Consolidated Annual Report (CAR)**

These two reports and assessment fees must be completed and filed with the Department of Financial Institutions (DFI) by close of business Tuesday, April 15, 2008.

**What if I did not do any business in Washington during the 2007 calendar year?**

Even if you did no business in Washington during 2007, you must file both of these reports with DFI by April 15, 2008.

**What happens if my company files after the April 15, 2008, deadline?**

If you file after the deadline, DFI will suspend your license(s) and assess a late fee equal to 25 percent of your annual assessment fee.

**What constitutes a complete filing?**

A complete filing includes the following items:

1. Annual Assessment Report (AAR), even if no fees are owed
2. Annual Assessment check made payable to the "Washington State Treasurer," for entire amount of assessment fee due
3. Consolidated Annual Report (CAR)
4. Supporting documentation for the CAR tables
5. 2007 Annual Report Affidavit
6. Check Sellers and Payday Lenders ONLY: Original Surety Bond Rider, if updated
7. Check Cashers ONLY; Proof of Registration with the Financial Crimes Enforcement Network (FinCEN) as a Money Services Business (MSB) if on any day you cashed check(s) for any one person totaling more than \$1,000.
8. Year-end financial statements, both Balance Sheet and Income Statement, prepared in accordance with Generally Accepted Accounting Principles (GAAP). Please note that financial statements MUST be audited if your company uses net worth in lieu of a surety bond OR if your company is a Payday Lender whose total loan volume exceeded \$10 million in 2007

**Where do I send the packet?**

Send the complete packet to either of these addresses:

Via: US Postal Service	Via: Other Couriers (UPS, FedEx, etc)
Department of Financial Institutions Attn: Consumer Services Exam Unit PO Box 41200 Olympia, WA 98504-1200	Department of Financial Institutions Attn: Consumer Services Exam Unit 150 Israel Rd SW Tumwater, WA 98501

**What do I do if my company's fiscal year did not end on December 31, 2007?**

If your company's fiscal year does not match the calendar year, then you must do the following two things:

1. Provide written notice to DFI by close of business April 15, 2008. This written notice must include your company's license number, fiscal year ending date, and the date you expect to deliver your company's annual reports and assessment fees to DFI.
2. Deliver your company's annual reports and assessment fees to DFI within 105 calendar days after the end of your fiscal year. Licensees are responsible for delivering the annual reports and assessment fees without further notice from DFI. Companies that do not submit their reports and assessment fees within 105 calendar days after the end of their fiscal year will have their license(s) suspended and will be assessed a late fee of 25 percent of the annual assessment fee due.

**What if I am not the proper person to complete this request?**

Immediately forward it to the person in your company responsible for reporting. Licensees are responsible for keeping DFI informed of changes to the contact person for your company. If the contact information has changed, notify DFI in writing immediately.

**How should I transmit sensitive electronic data?**

You must encrypt all sensitive electronic data submitted to DFI. If your encrypted files are "self-extracting," please follow your own data encryption procedures. Otherwise, visit [http://dfi.wa.gov/industry/data\\_secure.htm](http://dfi.wa.gov/industry/data_secure.htm) for information on "keeping data secure" and sample encryption procedures.

Thank you for responding promptly. If you have questions or need assistance, please contact:

Pedro Bongat Jr.  
Financial Examiner Supervisor  
Phone: 360-250-0122  
Email: [pbongat@dfi.wa.gov](mailto:pbongat@dfi.wa.gov)

Enclosures: Blank AAR and CAR

**STATUTES AND RULES RELIED UPON:** Chapter 31.45 RCW and Chapter 208-630 WAC.



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WASHINGTON STATE CHECK CASHERS, CHECK SELLERS, and SMALL LOAN ENDORSEMENTS

2007 ANNUAL ASSESSMENT REPORT (AAR)

Name of Company as Licensed in Washington: \_\_\_\_\_

Main Office Address: \_\_\_\_\_

WA File Number: \_\_\_\_\_

Reporting Period: [ ] 2007 Calendar Year Due Date: April 15, 2008
[ ] Fiscal Year (dates) \_\_\_\_\_ Due Date (105 days after FY end-date): \_\_\_\_\_

A penalty of 25 percent (25%) of the annual assessment fee will be assessed if the AAR, CAR, and assessment fees are received in our office after due date.

Type of Activity Conducted (check all that apply):

- [ ] Check Cashing (payroll checks, government checks, etc)
[ ] Check Selling (money orders, travelers checks, etc) [ ] Agent for: \_\_\_\_\_
[ ] Small Loans (payday loans, cash advance, payroll advance, deferred deposit, etc)

Table with 3 columns: Line Number, Description, Washington Locations, and Dollar Volume. Rows include 2007 Washington Check Casher, Check Seller, and Payday Loan Activity and Annual Assessment Fee Calculation.

**WASHINGTON STATE CHECK CASHERS, CHECK SELLERS, and SMALL LOAN ENDORSEMENTS**

**2007 CONSOLIDATED ANNUAL REPORT (CAR), Page 1**

Name of company as licensed in Washington: \_\_\_\_\_

Main Office Address: \_\_\_\_\_

WA File Number: \_\_\_\_\_

Reporting Period:  2007 Calendar Year Due Date: April 15, 2008  
 Fiscal Year (dates) \_\_\_\_\_ Due Date (105 days after licensee's FY end-date): \_\_\_\_\_

*A penalty of 25 percent (25%) of the annual assessment fee will be assessed if the AAR, CAR, and assessment fees are received in our office after due date.*

Note: This CAR should include all of the company's Washington State business in a single report. Do not submit separate reports for separate branches. Report dollar amounts in whole dollars. Leave no blanks; enter "0" or "N/A" if needed.

<b>TABLE 1 Analysis of Business Conducted in Washington During the Reporting Period</b>		<b>Column A Check Cashing</b>	<b>Column B Check Selling</b>	<b>Column C Small Loans</b>	<b>Column D Company Totals</b>
1a	Total number of employees for WA locations				#
1b	Total annual payroll for WA locations				\$
2a	Total number of WA transactions*	#	#	#	
2b	Total dollar volume of WA transactions*	\$	\$	\$	
3	Total dollar amount of fees collected on WA transactions*	\$	\$	\$	\$
4a	Number of un-deposited checks held at the end of the period for WA transactions	#		#	#
4b	Dollar amount of un-deposited checks held at the end of the period for WA transactions	\$		\$	\$
5a	Number of returned (NSF) checks/ACH during the period on WA transactions	#		#	#
5b	Dollar amount of returned (NSF) checks/ACH during the period on WA transactions	\$		\$	\$
6	Total dollar amount of fees collected for returned (NSF) checks/ACH on WA transactions	\$		\$	\$
7a	Number of charge-offs (losses), for the period on WA transactions	#		#	#
7b	Dollar amount of charge-offs (losses), for the period in WA	\$		\$	\$
8a	Number of recoveries of losses previously charged off, made during the period on WA transactions	#		#	#
8b	Dollar amount of recoveries of losses previously charged off, made during the period on WA transactions	\$		\$	\$
9	Net income before taxes, in WA				\$
10	Net income after taxes, in WA				\$
11	Would you be interested in filing future reports electronically?			<input type="checkbox"/> Yes <input type="checkbox"/> No	

\* Complete this section even if you are an "Agent" for another company.

**WASHINGTON STATE CHECK CASHERS, CHECK SELLERS, and SMALL LOAN ENDORSEMENTS**

**2007 CONSOLIDATED ANNUAL REPORT(CAR), Page 2**

Name of company as licensed in Washington: \_\_\_\_\_ WA File Number: \_\_\_\_\_

<b>TABLE 2 Analysis of Payday Loans made in Washington during the reporting period</b>		<b>Totals</b>
1	Total number of WA borrowers	#
2	Total number of active military borrowers in WA	#
3	Total number of WA borrowers whose accounts were referred to collection agencies	#
4	Total number of WA borrowers that entered into payment plan loan(s)	#
5a	Number of small loans converted to payment plan loan(s) during the period in WA	#
5b	Dollar volume of small loans converted to payment plan loan(s) during the period in WA	\$
6	Total number of small loans rescinded in WA	#
7	Total number of small loans involving ACH or other electronic transactions in WA	#
8	Total number of small loans made via the telephone for WA customers	#
9	Total number of small loans made via the Internet for WA customers	#
10	Total number of small loans made without a visit to your office(s) other than phone or internet for WA customers	#

<b>TABLE 3 Companies with Washington Payday Loans Totaling at least \$10 million during 2007</b>								
<b>Payday Loan Terms</b>		<b>Number of Loans</b>	<b>Payday Loan Terms</b>		<b>Number of Loans</b>	<b>Payday Loan Terms</b>		<b>Number of Loans</b>
1 to 7 days	#		15 to 21 days	#		32 or more days	#	
8 to 14 days	#		22 to 31 days	#				
<b>Payday Loan Frequency</b>	<b>Total Number of Borrowers</b>	<b>Number of Military Borrowers</b>	<b>Payday Loan Frequency</b>	<b>Total Number of Borrowers</b>	<b>Number of Military Borrowers</b>	<b>Payday Loan Frequency</b>	<b>Total Number of Borrowers</b>	<b>Number of Military Borrowers</b>
1 time	#	#	18 times	#	#	35 times	#	#
2 times	#	#	19 times	#	#	36 times	#	#
3 times	#	#	20 times	#	#	37 times	#	#
4 times	#	#	21 times	#	#	38 times	#	#
5 times	#	#	22 times	#	#	39 times	#	#
6 times	#	#	23 times	#	#	40 times	#	#
7 times	#	#	24 times	#	#	41 times	#	#
8 times	#	#	25 times	#	#	42 times	#	#
9 times	#	#	26 times	#	#	43 times	#	#
10 times	#	#	27 times	#	#	44 times	#	#
11 times	#	#	28 times	#	#	45 times	#	#
12 times	#	#	29 times	#	#	46 times	#	#
13 times	#	#	30 times	#	#	47 times	#	#
14 times	#	#	31 times	#	#	48 times	#	#
15 times	#	#	32 times	#	#	49 times	#	#
16 times	#	#	33 times	#	#	50 times	#	#
17 times	#	#	34 times	#	#	51+ times	#	#

**WASHINGTON STATE CHECK CASHERS, CHECK SELLERS, and SMALL LOAN ENDORSEMENTS**

**2007 CONSOLIDATED ANNUAL REPORT (CAR), Page 3**

Name of company as licensed in Washington: \_\_\_\_\_ WA File Number: \_\_\_\_\_

<b>TABLE 4 Business Practices Survey for Payday Lenders</b>			
<b>1</b>	How much do you charge for a NSF check fee on WA transactions?		\$ _____
<b>2</b>	Do you collect a NSF fee more than once on the same loan in WA?	<input type="checkbox"/> No <input type="checkbox"/> Yes	
<b>3</b>	Does the borrower agree in writing to all WA ACH contracts or authorizations to debit the borrower's bank account <u>each</u> time the company makes a loan?	<input type="checkbox"/> No <input type="checkbox"/> Yes	
<b>4</b>	What is the estimated number of days your company waits before charging off a debt on a payday loan in WA?		Days _____
<b>5</b>	Do you ever try to debit the borrower's bank account in smaller increments than the amount owed (e.g. collect a \$300 loan in three \$100 increments) on WA transactions?	<input type="checkbox"/> No <input type="checkbox"/> Yes	
<b>6</b>	Other than a payment plan, does your company allow or encourage borrowers to renew a loan obligation in lieu of full payoff, or to obtain a new loan without paying off the prior loan in WA?	<input type="checkbox"/> No <input type="checkbox"/> Yes	
<b>7</b>	Does your company (or your employees) encourage borrowers to borrow more money than they have initially requested (commonly called "up-selling") in WA?	<input type="checkbox"/> No <input type="checkbox"/> Yes	
<b>8</b>	What repayment method(s) do you use to collect payday loans: (count only the # of loans made in WA, do not count payment plans)		
	(a) Deposit the check	<input type="checkbox"/> No <input type="checkbox"/> Yes	If yes, how many loans during this period? _____
	(b) Accept Cash	<input type="checkbox"/> No <input type="checkbox"/> Yes	If yes, how many loans during this period? _____
	(c) ACH	<input type="checkbox"/> No <input type="checkbox"/> Yes	If yes, how many loans during this period? _____
	(d) Other (explain)	<input type="checkbox"/> No <input type="checkbox"/> Yes	If yes, how many loans during this period? _____
	(e) If "yes" to (b), do you maintain documentation showing an audit trail for checks bought back with cash?	<input type="checkbox"/> No <input type="checkbox"/> Yes	

WASHINGTON STATE CHECK CASHERS, CHECK SELLERS, and SMALL LOAN ENDORSEMENTS

2007 ANNUAL REPORT AFFIDAVIT

**AFFIDAVIT OF PREPARER:**

I hereby certify under penalty of perjury that I have examined the information contained in this Annual Assessment Report (AAR), Consolidated Annual Report (CAR), and attached supporting documentation (including any accompanying schedules and statements – if any), and the reported information is correct and complete in accordance with the law, and further acknowledge that there are no misrepresentations or omissions of material facts.

Prepared By: \_\_\_\_\_  
*Signature* *Date*

\_\_\_\_\_  
*Typed or printed name of preparer* *Title*

Phone: \_\_\_\_\_ Ext: \_\_\_\_\_ Fax: \_\_\_\_\_ E-mail: \_\_\_\_\_

**AFFIDAVIT OF COMPANY OFFICIAL:**

I, \_\_\_\_\_ the undersigned being the \_\_\_\_\_  
*Type or Print Name of Company Official* *Title of Company Official*

of \_\_\_\_\_, a Washington licensed Check Casher/Seller Company,  
*Print Company Name as Licensed*

hereby certify under penalty of perjury that I have examined the information contained in this Annual Assessment Report (AAR), Consolidated Annual Report (CAR), and attached supporting documentation (including any accompanying schedules and statements – if any), and the reported information is correct and complete in accordance with the law, and further acknowledge that there are no misrepresentations or omissions of material facts.

\_\_\_\_\_  
*Signature of Company Official*

**NOTARY:**

Signed and sworn before me this \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_\_ and

**I hereby certify that I am not an officer or director of this company.** \_\_\_\_\_

*Signature of Notary Public*

Notary Public in and for the:

Notary seal here

State of \_\_\_\_\_

County of \_\_\_\_\_

My appointment expires: \_\_\_\_\_