



Law Office of Steven C. Vondran

Extreme Service - Excellent Results

GENERAL REQUIREMENTS FOR OBTAINING A CALIFORNIA FINANCE LENDERS LICENSE (CFL)

The California 25/25 Lending Law!

I. General Requirements (this is not the entire list – contact us for complete details)

- (1) The applicant, either an individual or business entity, must have, prove, and maintain a \$25,000 net worth as evidence by a financial statement (balance sheet) prepared in accordance with generally accepted accounting principles.
- (2) The applicant, either an individual or business entity, must have and maintain a \$25,000 surety bond.
- (3) Licensees must pay an annual assessment each year (typically \$250)
- (4) Licensees must file an annual report each year (by March 15th) with the Department of Corporations.
- (5) Licensees are subject to record keeping and advertising requirements.
- (6) Licensees are responsible for complying with all applicable laws, rules, and regulations including, but not limited to: (a) the Financial Code Section 22000 et al; (b) The California Code of Regulations Chapter 10, (c) The Truth in Lending Act (Reg Z), (d) The Equal Credit Opportunity Act, (e) the California Financial Information Privacy Act, and other applicable State Federal and Administrative laws.
- (7) Fingerprinting and background check
- (8) Licensees must allow audits from the California Corporations Commission and the expense of such must be paid by the licensee.
- (9) An annual report must be filed with the DOC
- (10) Any employees must be W-2 employees

II. The Perks – 4 Good reasons why you might want to consider obtaining the CFL license

- (1) Brokers can apply so that they can broker loans to CFL licensed lenders and collect a commission. **Note:** a broker licensed under the CFL can only broker loans to CFL licensed entities and none others.
- (2) No formal mortgage training is required, and no broker's license is required. If you have the money to loan, you can get licensed to lend both commercial and consumer loans with certain restrictions.
- (3) Loans made under the CFL are not subject to the normal "usury" laws. This means, in most cases there is no restriction on the interest rates that can be charged. Again, certain restrictions apply.
- (4) Lenders may make both secured and unsecured loans using personal and/or real property as collateral.

NOTE: The process to obtain a CFL license can take anywhere from 90-120 days sometime more. If you are interested in making a career in the finance field, it would make sense to take action TODAY!

OUR FEE TO PROCESS THE PAPERWORK IS \$799.

**THIS INCLUDES THE CALIFORNIA DEPARTMENT OF CORPORATIONS
\$300 IN FILING FEES.**

**FINGERPRINTING FEES ARE THE RESPONSIBILITY OF THE APPLICANT
BUT IS ONLY \$20 FOR CALIFORNIA RESIDENTS AND \$86 FOR OUT OF
STATE RESIDENTS.**

For More Information Contact:

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