

E. J. FACE, JR.
COMMISSIONER OF
FINANCIAL INSTITUTIONS



1300 EAST MAIN STREET
SUITE EIGHT HUNDRED
P.O. BOX 640
RICHMOND, VIRGINIA 23218-0640
(804) 371-9657
FAX (804) 371-9416
TDD (804) 371-9206
www.scc.virginia.gov

**STATE CORPORATION COMMISSION
BUREAU OF FINANCIAL INSTITUTIONS**

December 17, 2008

TO THE MORTGAGE LENDER AND/OR BROKER ADDRESSED

§ 6.1-418 of the Virginia Mortgage Lender and Broker Act requires each licensee to file an annual report with the State Corporation Commission covering operations during the preceding calendar year, **no later than March 1, 2009. The Statute does not provide for extension of the filing period and a penalty may be imposed for late filing.** In fact, it will be helpful if you complete and file this report well ahead of the deadline, preferably by mid-February. The applicable forms are enclosed. They can also be downloaded from our web site at www.scc.virginia.gov/bfi.

Please note that the definition of the term "Mortgage Loan" has been modified on the form due to a recent change in the Virginia Mortgage Lender and Broker Act.

In completing the report, please follow the general and specific instructions carefully. Incomplete or inaccurate reports will not be accepted for filing. For consistency, all licensees are required to round figures to the nearest dollar (**do not use cents**). All licensees must file with the annual report a **CONSOLIDATED FINANCIAL STATEMENT** of the licensee (balance sheet and income statement), audited if available, reflecting the true financial condition of the licensee from all operations conducted in Virginia and elsewhere, regulated and unregulated. **Additionally, the affidavit on page eight of the report must be signed by a senior officer of the licensee and properly notarized.**

Please file the annual report and financial statement of the licensee **in duplicate**. Incomplete or inaccurate reports will not be accepted for filing and will be returned. Income tax returns **will not** be accepted in lieu of financial statements.

You are encouraged to file this report as soon as possible. If you have any questions, feel free to contact Robert F. Mednikov at (804) 371-9692.

Very truly yours,

Nicholas C. Kyrus
Deputy Commissioner

attachment

COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION
BUREAU OF FINANCIAL INSTITUTIONS

**ANNUAL REPORT OF MORTGAGE LENDERS AND BROKERS
FOR THE YEAR ENDING DECEMBER 31, 2008**

GENERAL INSTRUCTIONS

Pursuant to Virginia Code Section 6.1-418, every lender and broker required to be licensed under the Virginia Mortgage Lender and Broker Act shall file an annual report, under oath, with the Commissioner of Financial Institutions. Reports covering operations during the preceding calendar year are to be filed not later than **March 1, 2009** by mailing or delivering them to the Bureau of Financial Institutions, 1300 East Main Street, Suite Eight Hundred, Post Office Box 640, Richmond, Virginia, 23218-0640. **The Statute does not provide for extension of the filing period and a penalty may be imposed for late filing.**

The first section of the report is common to both lenders and brokers. Section II should be completed by mortgage brokers and Section III should be completed by mortgage lenders. **Both mortgage lenders and brokers must complete the Affidavit on page eight.**

Unless otherwise stated, the licensee must provide information only about its mortgage activities which come under the Virginia Mortgage Lender and Broker Act. The Act defines a mortgage loan as a loan made to an individual, the proceeds of which are to be used primarily for personal, family or household purposes, which loan is secured by a mortgage or deed of trust upon any interest in one to four family residential property located in Virginia, regardless of where made. Other types of loans, such as commercial loans or loans made on non-Virginia property, are not to be listed unless specifically requested.

A **consolidated financial statement** of the licensee (balance sheet and income statement), reflecting the true financial condition of the licensee from all operations conducted in Virginia and elsewhere, regulated and unregulated, is to be attached to this report. The balance sheet should detail assets and liabilities while the income statement should detail income and expenses. Sole proprietors should submit a balance sheet and income statement for the mortgage business only. Financial statements should not be more than three (3) months old. If the licensee does not have an independent audit, it may submit current internal unaudited financial statements.

The annual report and financial statement of the licensee must be filed in duplicate. Please follow the instructions carefully. Incomplete or inaccurate reports cannot be accepted for filing and will be returned. If space provided is insufficient, continuations on 8 1/2" by 11" paper may be added.

SECTION III
MORTGAGE LENDERS

15. Address of office where records of Virginia operations are kept for:

A) Files of closed first and second mortgage loans: _____

B) Loan servicing: _____

C) Rejected or turned down loans: _____

D) Financial/Accounting operations: _____

16. Provide the address of any offices or branches other than the main office where duplicates of the above records are kept:

17. Has the licensee made any loans (closed in the name of the licensee) to individuals secured by a mortgage or deed of trust on residential property of one to four units located in Virginia, during the calendar year?

Yes _____

No _____

If Yes, please provide the number and dollar amount of mortgage loans **closed in the name of the licensee during the year, whether or not carried on licensee's books as of December 31.**

COLUMN 1 FIRST LIENS		COLUMN 2 SUBORDINATE LIENS		COLUMN 3 TOTAL	
NUMBER	\$AMOUNT	NUMBER	\$AMOUNT	NUMBER	\$AMOUNT

18. Is the licensee a government approved lender?

Yes _____ No _____

If Yes, name the program(s):

SECTION III – MORTGAGE LENDERS (Continued)

19. State the range of interest rates and points charged during the year (highest and lowest).

INTEREST RATES: _____ (HIGH) TO _____ (LOW)

POINTS: _____ (HIGH) TO _____ (LOW)

20. Has the licensee made any loans subject to the Home Ownership and Equity Protection Act (§ 32 of Regulation Z)
Yes No

If Yes, please provide the number and total dollar amount of these loans
Number Dollar Amount

21. Analysis of delinquent accounts as of December 31.

Accounts past due for a period of:	NUMBER	DOLLAR AMOUNT
One day to 60 days.....	_____	\$ _____
61 Days to 90 days.....	_____	\$ _____
More than 90 days.....	_____	\$ _____
TOTAL.....	_____	\$ _____

22. Law suits, possession and sale of security.

	NUMBER	DOLLAR AMOUNT
Suits for recovery of money judgments:		
Instituted during the year	_____	_____
Judgments obtained during the year.....	_____	_____
Possession of security obtained by licensee during the year		
By court action or contract right:.....	_____	_____
Possession of security obtained by licensee during the year		
By voluntary surrender.....	_____	_____

AFFIDAVIT

State of _____)

County or City of _____)

I, _____, being the _____
(Name of Officer of Licensee) (Title)

of _____
(Name of Licensee)

swear or affirm that, to the best of my information and belief, the facts in this report, including any accompanying schedules and statements, are true.

Signature

Subscribed and sworn to before me this _____ day of _____, 20_____

Notary Public

Registration Number of Notary: _____
My commission expires: _____

PLEASE MAKE SURE THIS REPORT AND THE FINANCIAL STATEMENT OF THE LICENSEE ARE FILED IN DUPLICATE BEFORE THE MARCH 1ST, 2009 DEADLINE. IF AUDITED FINANCIAL STATEMENTS ARE BEING PREPARED BUT ARE NOT READY, PLEASE INDICATE BELOW THE APPROXIMATE DATE THAT THEY WILL BE FILED WITH THIS BUREAU AND ATTACH CURRENT INTERNAL FINANCIAL STATEMENTS. (If an audit of the licensee is not conducted, current internal statements alone are acceptable and should be attached.)

Anticipated filing date of audited financial statement of licensee: _____