

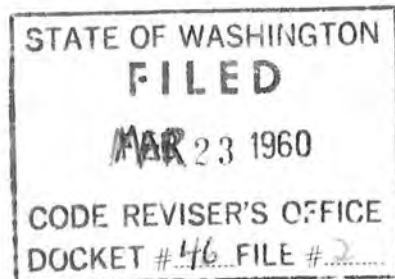
STATE OF WASHINGTON
DIVISION OF BANKING
OLYMPIA

CERTIFICATION OF RULES

In accordance with Section 4 (1), Chapter 234, Laws of
1959,

I, Joseph C. McMurray, Supervisor of Banking, do hereby
certify that the enclosed documents are true and correct copies
of all of the rules and regulations which have been enacted by
the Division of Banking and which are in effect as of this date,
March 23, 1960.


Joseph C. McMurray



Enclosures:

General Rules

Rules and Regulations under Washington Small Loan Act

Rules and Regulations and Instructions - Industrial Loan Companies

STATE OF WASHINGTON
DIVISION OF BANKING
OLYMPIA

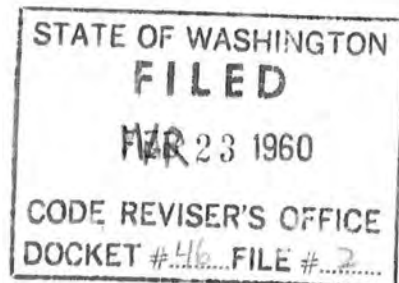
GENERAL RULES

(Pertaining to all Statutory Functions
of the Supervisor of Banking)

RULE NO. 1 -- PETITIONS FOR RULE MAKING, AMENDMENT OR REPEAL

Any interested person may petition the Supervisor of Banking requesting the promulgation, amendment, or repeal of any rule or regulation.

Where the petition requests the promulgation of a rule, the requested or proposed rule must be set out in full. The petition must also include all the reasons for the requested rule together with briefs of any applicable law. Where the petition requests the amendment or repeal of a rule presently in effect, the rule or portion of the rule in question must be set out as well as a suggested amended form, if any. The petition must include all reasons for the requested amendment or repeal of the rule.



Joseph D. Murray
Supervisor of Banking

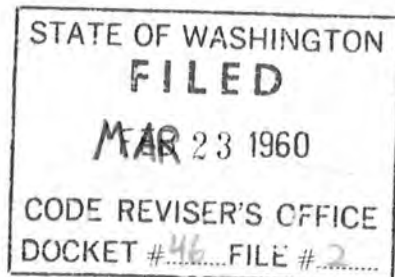
RULES AND REGULATIONS

for the
Enforcement
of

WASHINGTON SMALL LOAN ACT

Issued Under the Provisions of
Sec. 20. Ch. 208, Laws of 1941

Issued by
DIVISION OF BANKING
Olympia, Washington



3
Joseph D. Murray
Supervisor of Banking

FOREWORD

The following rules and regulations are issued under the provisions of Section 20 of the Washington Small Loan Act, effective as amended effective June 11, 1959. June 12, 1941. These may be amended or revised from time to time; if this is done, licensees will be informed.

It is important that each individual engaged in the granting or collection of loans under the act be familiar with the law and with the rules and regulations. Licensees under the act are given distinct privileges. They also are limited in their conduct by its strict provisions. Each licensee is charged with the responsibility of conforming to the letter and the spirit of the law and to rules and regulations issued thereunder.

Laws regulating the small loan business are in the public interest. It will be the purpose of the Division of Banking to administer the Washington act fairly and to the end that the public interest shall best be served. With that as an objective, full cooperation of all licensees is solicited and anticipated.

SECTION 1

BOOKS, FILES, RECORDS AND ACCOUNTING

(Sec. 11 Small Loan Act)

(a) Each licensee shall install and maintain in his business such books, accounts and records as will lend themselves readily to inspection and audit, and shall maintain separate books and records pertaining to the business done under the provisions of the Small Loan Act in the event any other type of business is conducted in the same office by the licensee.

(b) If any other business than that authorized under the Small Loan Act is conducted in the same office, the licensee shall fairly and equitably allocate all expenses for the purpose and with the result that the books relating to the licensee's business under the Act will fairly reflect the expense of conducting such business.

(c) The following books, files and accounting records shall be maintained:

1. LOAN REGISTER. Every loan shall be recorded in this register, which shall be kept currently posted, in consecutive numerical order showing the following information:

- (a) Number of loan
- (b) Date of loan
- (c) Name of borrower
- (d) Amount of loan
- (e) Brief description of security

BOOKS, FILES, RECORDS AND ACCOUNTING

(c) - Continued

2. BORROWERS' INDIVIDUAL ACCOUNT CARDS OR LOOSE LEAF LEDGERS. A separate account record shall be maintained for each loan made to any one borrower. Each such account record shall provide space for the recording of the following information:

- (a) Loan register number of loan
- (b) Date of loan
- (c) Name and address of borrower
- (d) Brief description of security, if any
- (e) Rate at which charges are to be computed
- (f) Terms of repayment
- (g) Face amount of note
- (h) Payments received showing:
 - Date of payment.
 - Amount paid on principal
 - Remaining principal balance
 - Amount paid on charges
 - Date to which charges are paid

- (k) If charges are precomputed: (i) Name and address of co-maker or endorser, if any
Amount of such charges.
Amount of default charge. (j) Date of final settlement of loan

(l) Amount of charge for life insurance.

3. ADEQUATE FILES of all papers required by the Act or these Rules and Regulations in connection with all loans.
4. ACCEPTABLE RECORDS showing all cash receipts and disbursements.
5. CARDS OR OTHER RECORDS OF ENDORSERS, CO-MAKERS OR SURETIES, showing liability on all loans.
6. A GENERAL LEDGER, which shall be posted at least once as of the close of business on a fixed date (preferably the last business day) of each month, and a trial balance taken therefrom.
7. RECORDS SEGREGATING INCOME AND EXPENSE ACCOUNTS in such manner as will enable the convenient preparation and checking of the annual reports required by the Act.

Note: Combination forms may be used if approved by the Supervisor.

(d) Copies of all forms of applications, notes, statements to borrowers, receipts, mortgages, assignments, and other instruments which are to be in general use by the licensee and which relate to loan transactions shall be filed with the Supervisor.

(e) Every licensee shall maintain -

A separate permanent record of all loans in litigation, including all loans assigned, sold or transferred for the purpose of suit, which record shall contain the following:

1. Loan number, original amount of loan, and unpaid balance.
2. Nature of security foreclosed, attached, to be recovered, or otherwise repossessed.
3. Name of owner of such property, if not the property of the borrower.
4. Date and terms of settlement of account, if prior to obtaining judgment, or if after judgment obtained, all items included in collection after suit is instituted.

(f) When a note has been reduced to judgment, the face of the Ledger account or card must show the following:

1. Date of judgment
2. Amount of judgment
3. Court costs

Thereafter, all payments received must be applied on the judgment and properly identified.

(g) Where charges are pre-computed on a loan, the following information shall be shown at the top of the ledger card maintained on such loan:

Pre-computed charges	\$ _____	Default charge	\$ _____
Life Insurance Premium	\$ _____		\$ _____
Total	\$ _____		

SECTION 2

LOANS

(Sec. 11 - Small Act)

(a) Each loan made shall have its proper consecutive number and all instruments taken in connection with any loan must bear the respective loan number. All such instruments and papers required by the Act to be retained by the licensee shall be filed so as to be readily available for inspection at any time, and shall be retained for a period of two years.

(b) All loan contracts shall provide for substantially equal payments, and such payments shall be due not less frequently than once in each month, beginning not later than 45 days from date of note. ~~with the month next succeeding the month in which the loan is made.~~

(c) No licensee shall make loans for a period in excess of ^{25½} ~~twenty~~ months.

SECTION 3

COMPUTATION OF CHARGES

(Sec. 13-b Small Loan Act)

(a) Licensees shall adopt a fixed method of computing charges on fractional balances and shall either compute interest on the actual fractional dollar which may be contained in any balance or disregard the fraction entirely. Under no circumstances shall charges be computed on "even dollar" balances in excess of the amount actually due upon the loan.

RATE OF CHARGE

(b) If facts and circumstances with respect to any two or more loans justify the conclusion, endorsers shall be deemed to be primary obligors for the purpose of computing charges.

CHARGES TO BORROWERS

Filing Fees, Notary Fees, etc.

DELETED 6-11-59

(c) Except that charges be included in and paid as a part of the charge computed as a percentage per month upon the principal balance of the loan, no licensee may include as charges any notary fee or fees paid by the licensee to any public officer for filing, recording or releasing any instrument securing the loan, nor for motor vehicle registration for the benefit of the lender; nor shall any amount be directly or indirectly charged, contracted for or received for any examination, appraisal, investigation, service, brokerage, commission, expense, fee, bonus or other costs.

INSURANCE

(d) No ^{licensee} ~~lender or other person acting directly or indirectly~~ or sell on the life of ~~on behalf of such lender~~ shall write/insurance/for a borrower where such insurance is a condition to the granting of a loan and where ^{licensee} ~~said lender or other person acting on his behalf~~ shall have any interest in the commission earned in writing such insurance.

No type of insurance made payable to the lender and not directly for the benefit of the borrower may be required; provided, however, that nothing herein shall be construed as departmental authorization to require any type of insurance whatsoever.

SECTION 4

STATEMENT TO BORROWER

(Sec. 14 Small Loan Act)

(a) Every licensee shall:

1. Deliver to the borrower at the time the loan is made a statement of the loan as provided in Section 14 of the Act and shall retain a copy of said statement which shall bear an acknowledgement by the borrower that he has received the original thereof.

2. Procure a receipt from the borrower for the proceeds of the loan.

(Statement of loan, acknowledgment by the borrower and the receipt for proceeds of loan, for convenience, should be incorporated in one instrument.)

3. All of the above instruments shall be retained by the licensee for a period of not less than two years.

RECEIPTS TO BORROWER FOR PAYMENT

(b) Every licensee shall retain a copy of all receipts given to borrowers for the receipt of money for a period of two years, which shall be available at all times for inspection of the Supervisor.

SECTION 5

ADVERTISING

(Sec. 12 Small Loan Act)

(a) No licensee in any of its advertising or upon any of its forms, instruments or stationery shall use any phrase or expression referring to its authority or supervision by the state, or any department thereof, or the Supervisor of Banking, except the following: "Licensed under the Washington Small Loan Act" or "Under State Regulation," or both: PROVIDED, that when either such phrase is employed, it shall be used in conjunction only with the business of making small loans under the Act.

(b) All advertising, printed or spoken, shall be truthful in statement and implication and shall not be of such a nature as may reasonably be construed to be misleading or deceptive.

In determining whether any particular advertising matter violates the provisions or intent of Section 12, the Supervisor will give consideration to general arrangement of copy and to whether, from statements made, the inference or impression may reasonably be drawn that such statements or representations are inaccurate, deceptive or misleading.

It shall be considered misleading:

(1) To use phrases such as "lowest costs," "lowest rates," "quickest service," "legal rates," "no red tape," "easy payments," "repayment in easy installments."

(2) To advertise "new reduced rates" or "a new type of service" or any such similar comparative expression unless such statement is in fact accurate with respect to the business of the licensee so advertising

ADVERTISING

(Continued)

and unless such advertisement clearly indicates that such new plan refers specifically to a change in the particular licensee's plan of operation, and which change must be of more than minor importance with respect to the business of the licensee. Any such advertisement shall not be used for a period longer than sixty days after such plan has been put into effect.

(c) Licensees shall not use blind loan advertisements such as using only telephone numbers or newspaper box addresses. Every advertisement shall clearly indicate the identity of the licensee.

(d) Licensees shall not advertise that in the event of sickness or disability or other contingency, payment will be extended without also stating that charges continue during the period of extension, if such is the fact.

(e) No licensee shall distribute, or cause to be distributed, handbills or similar advertising matter except in the office of the licensee or through the mails.

(f) No licensee shall solicit business by means of "Credit Cards," "Letters of Credit," or other similar devices which indicate that a holder has an established credit standing with a licensee unless such holder has made a bona fide application to the licensee and credit has actually been established.

(g) No licensee shall, by any representation or device, either directly or indirectly, offer to any persons anything of value by means of which they will be encouraged to become borrowers or for recommending, referring, or inducing applicants to apply for or secure loans from

ADVERTISING

(Continued)

any such licensee.

Note: The distribution of articles of trivial value for general good will advertising, in the ordinary course of business, will not be deemed to be in violation of this prohibition.

(h) When examples or tables of periodic payments under a flat payment plan are advertised, they shall include all charges to the borrower as well as principal. If principal payments only are advertised, a clear statement of the rate of charge or the total amount of charge shall be included. In all such advertising the total number and frequency of payments must be specified. No advertising shall include average repayments or average cost of a loan.

(i) Copy of all permanent signs and window displays that include any material other than the name of the licensee shall be submitted to the Supervisor for approval before they are placed in use.

(j) Each licensee shall retain for a period of one year from date of use, with date of use indicated thereon, information disclosing the medium through which any advertisement was disseminated, identical copies of all advertising material published, distributed or broadcast, available for inspection by representatives of the Department at any time.

(k) All form letters sent to former or present customers soliciting additional loans shall be considered advertising and copies of all such material shall be retained for inspection by representatives of the Department at any time the same as all other advertising material.

SECTION 6

INSURANCE

DELETED

~~Refer to Section 3-d Departmental Rules and Regulations.~~

~~Refer to Departmental Letter of June 30, 1941.~~

~~Note: Copy of above letter included
with these regulations.~~

Rules and Regulations
Washington Small Loan Act
~~June 12, 1941~~

Section 6

SECTION 7

GENERAL

(a) Each licensee shall maintain a permanent file for all official communications from the office of the Supervisor of Banking and for copies of correspondence and reports addressed to the Supervisor of Banking.

(b) Each person who is to make loans under this Act shall be familiar with the law and the rules and regulations relating to the business. No office shall be in charge of any person who does not have a thorough understanding of the provisions of the Small Loan Act and of these rules and regulations.

(c) The place of business designated in the license shall be open each business day during customary hours to receive payments from borrowers.

STATE OF WASHINGTON
DIVISION OF BANKING
OLYMPIA

May 26, 1948

TO SMALL LOAN LICENSEES: Re: Pass Book Receipts

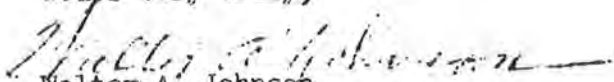
Heretofore it has not been practical under the Washington Small Loan Act to issue pass books in lieu of receipts for payments made on loans for the reason that the law requires that a duplicate of the receipt be retained in the office of the licensee.

Recently forms have been submitted to this office for approval for use in connection with machines which automatically post the pass book simultaneously with the ledger card. After careful consideration, we have concluded that, if the ledger card is a duplicate of the pass book, the provisions of the law will have been complied with in that respect.

Since the receipt must show the date to which charges are paid, licensees charging the \$1.00 minimum would either require a machine capable of printing two dates, or should provide space in which to stamp the date to which charges have been paid.

This department will now approve machine pass book receipt forms, provided all of the requirements of the Act with respect to receipts have been met. Licensees desiring to install machines should submit printed proofs of forms to be used or a reasonable facsimile thereof.

Yours very truly,


Walter A. Johnson
Supervisor of Banking

STATE OF WASHINGTON

DIVISION OF BANKING

OLYMPIA

April 15, 1952

TO THE SMALL LOAN LICENSEE ADDRESSED:

Recent copies of advertising which have come to our attention have indicated various, and in some cases extremely broad, interpretations of some of the sections of the Rules and Regulations with respect to advertising. This letter is, therefore, for the purpose of clarifying the sections referred to.

Section 5 (b) reads in part as follows:

"All advertising, printed or spoken, shall be truthful in statement and implication and shall not be of such a nature as may reasonably be construed to be misleading or deceptive".

"In determining whether any particular advertising matter violates the provisions or intent of Section 12, the Supervisor will give consideration to general arrangement of copy and to whether, from statements made, the inference or impression may reasonably be drawn that such statements or representations are inaccurate, deceptive or misleading".

The use of the word "reserve" or the phrase "A reserve has been established" or "Money has been set aside for you" or any similar expression when, in fact, no such reserve has been established or set aside for use of the person addressed, will be deemed to be misleading and in violation of this section.

It shall be considered misleading to use the phrase "No endorsers," "No endorsers required", "No co-makers", "No co-makers required", "No guarantors", "No guarantors required", or any similar expression if a licensee does, in fact, require or accept more than one signature on a note or obligation, other than husband and wife. The presence of signatures on any note creating legal liability of two or more persons for the repayment of said loan shall, for the purpose of this regulation, be deemed to have been required by the lender.

Section 5 (b) (1) reads as follows:

"It shall be considered misleading:

To use phrases such as 'lowest costs', 'lowest rates',
'quickest service', 'legal rates', 'no red tape',
'easy payments', 'repayment in easy installments'.

The phrases "No long rigamarole", "No fuss, no bother", "No lengthy loan details", or the unqualified phrase, "You can set the size of your payment", are similar expressions and are considered misleading.

Section 5 (f) reads as follows:

"No licensee shall solicit business by means of 'Credit Cards', 'Letters of Credit', or other similar devices which indicate that a holder has an established credit standing with a licensee unless such holder has made a bona fide application to the licensee and credit has actually been established".

The use of any type of credit card, letter of credit, cash certificate, cash reserve certificate, or facsimile check, bond or insurance policy to solicit business from persons who have not actually established credit with the licensee as provided in the above regulation shall be deemed to be misleading and in violation of this section.

Please attach this communication to your Rules and Regulations and be governed accordingly.

Yours truly,



R. D. Carrell
Supervisor of Banking

S T A T E O F W A S H I N G T O N

DIVISION OF BANKING

July 12, 1954

To the Small Loan Company Addressed:

Re: Application for License

On August 7, 1952, a regulation was issued to the effect that a public hearing would be held on future applications, at which hearing the applicant and all interested parties would be privileged to present evidence and testimony either for or against the granting of such license.

In actual practice this has proved to be a rather cumbersome procedure which has served no particular purpose, and the regulation is hereby rescinded.

In the future when an application has been received, the supervisor will investigate the facts as provided by law from the best source at his command. This investigation will include a thorough appraisal of the interests of all parties concerned.

Please either remove the regulation from your book of Rules and Regulations or mark the same "rescinded" as of this date.

Yours truly,

R. D. Carrell

R. D. Carrell
Supervisor of Banking

June 8, 1959

TO THE SMALL LOAN LICENSEES ADDRESSED:

RULES AND REGULATIONS for the Enforcement of Washington Small Loan Act as issued and supplemented to date by this office are hereby amended, effective June 11, 1959, in the following respects:

SECTION 1 (PAGE 2): New items (k) and (l) are added to (c) 2. BORROWERS INDIVIDUAL ACCOUNT CARDS OR LOOSE LEAF LEDGERS after (j) Date of Final Settlement of Loan as follows:

- (k) If charges are precomputed:
 - Amount of such charges.
 - Amount of default charge.
- (l) Amount of charge for life insurance.

SECTION 2: Paragraphs (b) and (c) are amended to read:

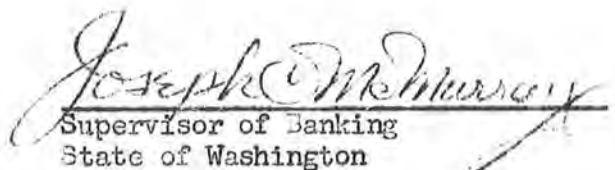
- (b) All loan contracts shall provide for substantially equal payments, and such payments shall be due not less frequently than once in each month, beginning not later than 45 days from date of note.
- (c) No licensee shall make loans for a period in excess of 25 1/2 months.

SECTION 3 (PAGE 2): Sub-section (c) "CHARGES TO BORROWERS" and related June 30, 1941 letter are each deleted and sub-section (d) INSURANCE is amended to read:

No licensee shall write or sell insurance on the life of a borrower where such insurance is a condition to the granting of a loan and where said licensee shall have any interest in the commission earned in writing such insurance.

SECTION 6: Departmental Letter of June 30, 1941, and Section 6 itself are each deleted.

NOTE: All prior communications relative to charges for examinations have been superseded for 1959 and until further advice by the attached notice.


Supervisor of Banking
State of Washington

STATE OF WASHINGTON

DIVISION OF BANKING

TO THE SMALL LOAN LICENSEE ADDRESSED:

The per diem charge in effect during 1958 for examination of licensed offices has not proven sufficient to defray the actual cost of examination functions.

During 1959 and until further notice the actual cost of examining each licensed place of business shall be determined on the basis of outstanding as of the date of examination as follows:

----- \$75.00 for the first \$100,000 or fraction thereof, plus

----- 50¢ per \$1,000 for each \$1,000 of outstanding in excess of \$100,000

and charges assessed accordingly subject to the statutory maximum.

Very truly yours,



Joseph C. McMurray
Supervisor of Banking

R U L E S
REGULATIONS AND INSTRUCTIONS

INDUSTRIAL LOAN COMPANIES

DIVISION OF BANKING
STATE OF WASHINGTON

STATE OF WASHINGTON
FILED
MAR 23 1960
CODE REVISER'S OFFICE
DOCKET # 46 FILE # 2

Olympia, Washington
February 1, 1952

Joseph D. Murray
Supervisor of Banking

- FOREWORD -

The within Rules and Regulations have been made under the provisions of Sec. 15 of Chapter 172, Laws of 1923 as amended by Sec. 15 (b) of Chapter 19, Laws of 1941 (RCW 31.04.180)

DIVISION OF BANKING
Olympia, Washington

Rules, Regulations
and Instructions
Industrial Loan Companies

Foreword

SECTION 1

BOOKS AND RECORDS

(a) The company shall keep and use such books, accounts and records as will enable the Supervisor to determine whether such company is complying with the provisions of this act and with the rules and regulations of the Supervisor.

(b) For a period of not less than two years after the making of the final entry upon its books with respect to any such transaction the company shall preserve the records of original and final entry upon all loans made and upon all transactions pertinent to the sale and issuance of investment certificates.

(c) If the company operates branches, there shall be kept in each branch office such books, accounts and records as will enable the Supervisor to determine whether such company is complying with the provisions of this act and with the rules and regulations of the Supervisor.

There shall also be kept at the main office or at such other convenient place approved in writing by the Supervisor, an original or duplicate of the daily journal or such other form of original entry as is used, or the loan register and of the general ledger. Branch reports of business transacted on the preceding day are to be forwarded to the main office daily.

(d) The original application for a loan and all original papers relating thereto, including the note, any instrument held as collateral security, chattel mortgage (if filed, a true copy), salary assignment, etc., shall be available for inspection by the Supervisor, or any duly authorized representative. All real estate mort-

gage loan shall be supported by an appraisal signed by two or more officers and/or directors of the company, disclosing all pertinent information, including a detailed schedule of all prior liens.

(e) No company shall ask for or receive or have in its possession any incompleated note, mortgage or other instrument signed by the borrower. All blanks shall be filled in or cancelled before the instrument is signed by the borrower.

(f) Fees collected in advance to be subsequently disbursed by the company for recording and releasing collateral instruments or for other similar purposes shall be credited to a suspense account supported by a detailed record of the borrower's name and the respective amount of such fees.

SECTION 2

NOTE

(a) Specimen forms of the written instrument or note evidencing any loan under this act shall be filed with the Supervisor of Banking.

(b) The written instrument or note shall carry on the face thereof the following:

1. The number and date of the loan.
2. Total amount to be repaid.
3. Rate and amount of interest-discount on the loan.
4. The manner in which it is to be repaid.
5. Adequate description of any collateral security deposited with the company.
6. Maturity date.
7. The rate of interest to be collected after original maturity date.

SECTION 3

INVESTMENT CERTIFICATES

(a) Specimen forms of investment certificates issued shall be filed with the Supervisor of Banking.

(b) Adequate records shall be maintained with respect to all investment certificates issued. Such records shall disclose the name of the purchaser, the date purchased, the number of the certificate, the terms and amount of payments agreed to, and if pledged as security for a loan, the loan shall be adequately identified.

(c) Adequate records shall be maintained with respect to all payments made upon investment certificates.

(d) The terms of payment upon an investment certificate purchased and pledged to the company as security for a loan shall provide for equal stated amounts payable over equal stated periods of time, to be fully paid not prior to the maturity date of the note.

(e) The company shall give to the purchaser a plain and complete receipt for all payments made on account of any investment certificate at the time such payments are made, specifying the amount applied to the face amount owing and to delinquent charges; provided, however, on all payments by check or money-order wherein the total amount paid is applied to the face amount owing on the Investment Certificate, the cancelled check or money-order stub will serve as a plain and complete receipt.

SECTION 4

REQUIREMENT FOR MAKING AND PAYMENT OF LOANS

AND

STATEMENT TO BORROWER

(a) The company shall deliver to the borrower at the time any loan is made a statement which shall disclose in clear and distinct terms the following information:

- (1) The name and address of the Industrial Loan Company.
- (2) The name and address of the borrower.
- (3) The number and date of the loan.
- (4) The total amount of the loan.
- (5) List of statutory deductions from the face amount of the note -
 - a. Interest-discount, rate and amount.
 - b. Investigation fee.
 - c. Filing and releasing fee.
- (6) Date of maturity of the loan.
- (7) Rate of interest after original maturity date.
- (8) Description of the security, if any, including adequate description of the investment certificate.
- (9) Agreement to permit payment in full before maturity.
- (10) Schedule of, or agreement to refund in case of prepayment (which refund shall be unconditional).
- (11) Amount and date of installment investment certificate.
- (12) The terms of payment of the investment certificate, showing due dates and amount of installments.
- (13) Penalty for payments which are delinquent one week or more.
- (14) Service fees, if any.

A copy of such statement or record of above information must be kept in company's files.

SECTION 5

RESTRICTIONS AS TO CHARGES

(a) No company shall charge the borrower for notarial fees.

(b) No company may require or assist the borrower in obtaining insurance in connection with a loan unless such insurance is procured promptly from an insurer authorized to transact such insurance in this state. The amount deducted from the proceeds of the loan for such insurance shall be the amount actually paid to the insurer therefor, provided that a company or an officer, employee or affiliate of a company having a valid license to act as insurance agent or broker may receive commission on such insurance if the commissions are included in the premium of the policy issued to cover such insurance.

(c) No company shall make any charge for the filing, recording or releasing of mortgages or other instruments or for transferring title certificates to automobiles unless such charges are or are in fact to be paid out by the company to the proper officials for such filing, recording, transferring or releasing thereof.

(d) In the event a company makes a new loan where all or part of the proceeds are used to pay the amount due it on an existing loan within four months from date of the existing loan, no charge for investigation fee shall be permitted.

SECTION 6

ADVERTISING

(a) All advertising, printed or spoken, shall be truthful in statement and implication and shall not be of such a nature as may reasonably be construed to be misleading or deceptive.

(b) All advertising that mentions rates and/or amounts or periods of repayment shall fairly and accurately state the full and correct amount of such rates and periodic payments, which stated amounts must include all costs to the borrower.

(c) The company shall keep a file of all circulars, form letters, pamphlets, booklets, radio broadcasts, newspaper advertisements and all other types of advertising for a period of not less than two years, which shall be available for examination by the Supervisor or his duly authorized representative.

(d) No company shall advertise the giving or give directly or indirectly to borrowers premiums of merchandise, food or other articles of value in connection with any loan transaction.

(e) No company shall give directly or indirectly to any borrower an allowance of cash, any premiums of merchandise or other consideration for the procuring of, referring to or sending to the company any applicants for loans.

(f) No company in any of its advertising or upon any of its forms, instruments or stationery shall use any phrase or expression referring to its authority or supervision by the state, or any department thereof, or the Supervisor of Banking except the following: "Authorized under Industrial Loan Act" or "Under State Regulation" or both.

SECTION 7

OTHER BUSINESS IN SAME OFFICE;
CHANGE OF LOCATION

(a) No company will be permitted to conduct its business within an office room or place of business in which other business is solicited or engaged in, or in association or conjunction therewith, if the Supervisor of Banking shall find, after five days' written notice, and after a hearing, that the other business has concealed or facilitated evasion of the industrial loan company act. If the Supervisor so finds, he shall order such company in writing to desist from such conduct.

(b) No company shall transact such business or make any loan provided for by this act under any other name or at any other place of business than that named in the certificate of authority or in locations where branches have been established. This is not intended to prohibit loans by mail.

(c) No company shall change its place of business to another location unless and until authority for such change shall have been granted by the Supervisor of Banking.

