

FLEXIBLE CREDIT ANNUAL REPORT INTRODUCTION & INSTRUCTIONS

Pursuant to Tennessee Code Annotated (Tenn. Code Ann.) §45-12-109 of the Tennessee Flexible Credit Act, licenses issued pursuant to this chapter shall expire on December 31. Each license may be renewed for the ensuing twelve-month period upon application by the license holder showing continued compliance with the requirements of Tenn. Code Ann. §45-12-104 and the payment to the Commissioner annually, between November 1 and December 31, of a nonrefundable Supervision Fee of \$1,025 for each license. Complete your Flexible Credit Annual Report Form electronically, then save and upload your file according to the instructions under the [Flexible Credit Annual Report Upload Center](#) on or before December 31, 2016.

The Flexible Credit Annual Report Form includes a financial statement questionnaire and an analysis of the business activities conducted under the Flexible Credit Act for the period January 1, 2015 through December 31, 2015. Information for the financial statement questionnaire must be pulled directly from the Licensee's Audited Financial Statements. You may confer with a certified public accountant (CPA) or public accounting firm when you prepare this report.

IMPORTANT: In order to renew your current Flexible Credit License you will also need to submit and file the following items **via NMLS**:

1. Submit **Audited Financial Statements**, including, but not limited to, a balance sheet, statement of income or loss, and statement of changes in financial position, for the immediately preceding fiscal year end, prepared in accordance with generally accepted accounting principles by a Certified Public Accountant (CPA) or Public Accounting Firm, neither of which is affiliated with the licensee via NMLS. Note: Audited Financial Statements must be on the licensee and submitted via NMLS.
2. File Licensure Renewal Applications via NMLS. In addition to the Supervision Fee of \$1,025 for each license, please note that the NMLS will charge a processing fee of \$100 for the company headquarters (MU1) and a processing fee of \$20 for each company branch (MU3). In order to initiate the Licensure Renewal process, licensees should access the NMLS Resource Center at <http://mortgage.nationwidelicencingsystem.org> and "click" the **GREEN BUTTON** marked ANNUAL RENEWAL. The filing deadline is **December 31, 2016**.

FLEXIBLE CREDIT ANNUAL REPORT

DEADLINE: DECEMBER 31, 2016

REPORTING ENTITY

This form must be completed for each Licensee. If a company operates more than one licensed office, the report must be filed on a composite basis. When preparing the report, do not underline or change captions. Report all amounts in whole dollars.

1. **Name of Licensee:** _____

2. **NMLS ID Number:** _____

3. **Business Type:**

a) **Proprietorship**

b) **Partnership**

c) **Limited Partnership** *TN Secretary of State ID* _____

d) **Limited Liability Company** *TN Secretary of State ID* _____

e) **Corporation** *TN Secretary of State ID* _____

f) **Other** _____

4. **The periodic interest rate charged in Tennessee on all Flex Loan(s).**

Minimum: Interest _____%

Maximum: Interest _____%

5. **The customary fee charged in Tennessee on all Flex Loan(s).**

Minimum: _____%

Maximum: _____%

Complete the following schedules of the Annual Report Form electronically, then save and upload your file according to the instructions under the Flexible Credit License Renewal Upload Center. Information for the financial statement questionnaire (Schedule A) must be pulled directly from the Licensee's Audited Financial Statements. Report the income and expenses related exclusively to the business of making flex loan(s). You may allocate expenses based on revenue. **This report is designed to cover the business activities conducted under the Flexible Credit Act for the period January 1, 2015 to December 31, 2015.**

SCHEDULE A

FINANCIAL STATEMENT QUESTIONNAIRE

STATEMENT OF INCOME AND EXPENSES

Note: Report the Income and Expenses related exclusively to the business of making flex loan(s). You may allocate expenses based on revenue.

INCOME

- 1 Fees and Interest Income Earned _____
- 2 Other Income _____
- 3 Total Operating Income** _____

EXPENSES

Direct Variable Expenses

- 4 Bad Debts _____
- 5 Expenses associated w/repossession, storage and resale of personal property _____

General & Administrative Expenses

- 6 Compensation of Officers, Owners, Partners & LLC Members _____
- 7 Compensation of Employees _____

BALANCE SHEET

- 8 Total Assets _____
- 9 Total Liabilities _____
- 10 Net Worth** _____

SCHEDULE B

ANALYSIS OF REGULATED BUSINESS ACTIVITY IN TENNESSEE

| | <u>Number</u> | <u>Dollar Amount</u> |
|---|----------------------|-----------------------------|
| 1 Flex Loan(s) outstanding as of January 1, 2015 | _____ | _____ |
| 2 New Flex Loan(s) entered into since January 1, 2015 | _____ | _____ |
| 3 Flex Loan(s) purchased from other lenders since January 1, 2015 | _____ | _____ |
| 4 TOTAL | _____ | _____ |
| 5 Flex Loan(s) balances charged-off as of December 31, 2015 | _____ | _____ |
| 6 Flex Loan(s) balances sold to other lenders as of December 31, 2015 | _____ | _____ |
| 7 Flex Loan(s) paid-in full as of December 31, 2015 | _____ | _____ |
| 8 TOTAL | _____ | _____ |
| 9 Flex Loan(s) outstanding as of December 31, 2015 | _____ | _____ |
| 10 Distribution of NEW Flex Loan(s) | | |
| a \$0 - \$1,000 | _____ | _____ |
| b \$1,001 - \$3,000 | _____ | _____ |
| c \$3,001 - \$4,000 | _____ | _____ |
| TOTAL | _____ | _____ |

AFFIRMATION

I _____, _____ of
Authorized Person Name Title

_____, _____ (Licensee) on this date _____
Company Name Date

make oath and say as follows, that I executed this form on behalf, and with authority, of said Applicant and said Applicant agrees to and represents the following:

1. That the information and statements contained herein, including exhibits attached hereto, and other information filed herewith, all of which are made a part of this form, are current, true and complete and are made under the penalty of perjury, or un-sworn falsification to authorities, or similar provisions as provided by law;
2. To the extent any information previously submitted is not amended, such information remains accurate and complete;
3. To comply with the provisions of law, including the maintenance of accurate books and records, pertaining to the conduct of business upon which the applicant is basing the data on this form.