

## REPORTING GUIDE

# California Financing Law (CFL): CFL Annual Report Filing to the California Department of Financial Protection and Innovation (DFPI) for Financial Lenders and Brokers



# CA DFPI CFL Annual Report Reporting Guide

The California Financing Law (CFL) requires all licensees under its regulation to file an annual report (CFL Annual Report) with the California Department of Financial Protection and Innovation (DFPI). The information is used by the DFPI to determine a licensee's compliance to statutory net worth requirements and for inclusion in the DFPI's Annual Report.



## Who must file the CFL Annual Report?

Every CFL licensee involved in both consumer and commercial loans as of December 31 of the reporting year must file an annual report. Under the CFL, a finance lender is *"any person who is engaged in the business of making consumer loans or making commercial loans"* while a broker is *"any person engaged in the business of negotiating or performing any act as broker in connection with loans made by a finance lender."*



## When is the CFL Annual Report due?

An annual report for the previous calendar year must be filed on or before March 15 of the following year, even if no business was conducted under the license. The CFL Annual Report is typically referenced by the filing year and Annual Report. For example, 2022 CFL Annual Report.



## What are the components of the CFL Annual Report?

The CFL Annual Report is composed of the following schedules:

- General license information
- Balance Sheet
- Analysis of Loans and Receivables Outstanding
- Statement of Income and Expenses
- Income Received from CFL Lenders and Brokers Loans
- All Other Business and Sources
- Schedule of Brokered Loans
- Loans Statistics
- Sale of Loans to Institutional Investors and Loans Serviced
- Directory of Directors and Officers
- Report on Non-traditional, Adjustable Rate and Mortgage Loan Products, and Loan Survey
- Additional Information
- Loan Activity
- Default rates by type of Loan (Confidential)



## What else needs to be submitted with the CFL Annual Report?

A verification form must be submitted and completed with the CFL Annual Report. The CFL Annual Report will be treated as unfiled if a licensee fails to upload the signed verification form.

If a licensee conducted business in other states, the balance sheet and statement of income and expenses must include information for all operations in addition to California-specific data.



## How is the CFL Annual Report filed?

The CFL Annual Report can be filed electronically through DFPI's [Self-Service Portal on DOCQNET](#). Registration is required to be able to "Sign in" to the portal and you can do so by going to DFPI's [Registration](#) webpage.

DFPI provides instructions and FAQs for every filing year, which can be downloaded from their [CFL webpage](#).



## What is the penalty for not filing the CFL Annual Report?

Apart from the revocation of your license, failure to file the CFL Annual Report may result to a penalty of \$100 for each of the first five (5) business days the report is overdue, and \$500 for each succeeding business day, but not to exceed \$25,000 in total penalties.

## Reporting Tips

- All information provided must be complete and accurate and is subject to verification by DFPI. Licensees must ensure complete and accurate information since their annual assessment (fee) is calculated from the data provided.
- Many of the data fields in the CFL Annual Report are required and errors will appear, if left blank.
- Certain entered and system-computed data fields in the balance sheet, net worth, and statement of income and expenses, must match up within the CFL Annual Report and with information contained in prior year's filing, if applicable, before the CFL Annual Report permits advancement to subsequent sections.
- CFL Annual Reports filed must be made available for inspection, except for default rates by loan type, which is treated as confidential information.