DEPARTMENT OF CORPORATIONS

California's Investment and Financing Authority

Los Angeles, California

IN REPLY REFER TO:
FILE NO: ALPHA

February 1, 2007

RE: 2006 RESIDENTIAL MORTGAGE LOAN REPORT

TO: ALL FINANCE LENDERS

Enclosed are instructions and reporting forms for the 2006 Residential Mortgage Loan Report that is required by the Housing Financial Discrimination Act of 1977 more commonly known as the Holden Act (Sections 35814 through 35816, California Health and Safety Code).

WHO MUST FILE

THIS REPORT MUST BE FILED BY ALL LENDERS:

- whose assets total $10 million and less and who regularly make real estate purchase and/or home improvement loans and do not report to a state or federal agency.

OR

- whose assets total more than $10 million and who regularly make real estate purchase money and/or home improvement loans and fall under the broad reporting requirements of the Federal Home Mortgage Disclosure Act (Reg. C) as a depository or non-depository financial institution, but elect not to report under the federal program.

- who make 10% or more in qualifying loans are required to report to the appropriate state or federal agency or provide an explanation of any exemption claimed accompanied by appropriate points and authorities.

NOTE: Lenders making 10% or more in qualifying loans **MUST** report pursuant to the Home Mortgage Disclosure Act of 1975, more commonly known as Regulation C or HMDA or the reporting requirements of the Holden Act. Additional authority is contained in Title 21, Division 3, Chapter 4, beginning with Section 7100, known as the Regulations Pursuant to the Housing Financial Discrimination Act of 1977.

WHERE AND WHEN TO FILE

The report is due **MARCH 31, 2007** at:

DEPARTMENT OF CORPORATIONS
320 WEST 4TH STREET, SUITE 750
LOS ANGELES, CA 90013-2344

Information regarding the report may be obtained from:

1-866-ASK-CORP or 1-866-275-2677