



Second Mortgage Registrants  
&  
Small Loan Licensees

# ANNUAL REPORT

For the calendar year ending  
December 31, 2008

Ted Strickland  
Governor

Kimberly A. Zurz  
Director of Commerce

John B. Reardon  
Superintendent

# OHIO SMALL LOAN ACT LICENSEES

2008 Annual Report

"OSLA"

Ohio Revised Code

Sections 1321.01 to 1321.19

For business conducted during calendar year 2008

Number of active licenses held at any time during 2008	749
Number of active licenses held as of December 31, 2008	624
Current assets as defined by Administrative Rule 1301:8-2-01 as of December 31	\$1,076,353,278

	<b>Number</b>	<b>Dollar Amount of Loans</b>
Total number of loans made under the OSLA in the calendar year 2008	976,425	\$416,129,057
Number of loans between \$0 - \$1,000	974,415	\$414,030,688
Number of loans between \$1,001 - \$2,500	1,996	\$2,048,875
Number of loans between \$2,501 - \$5,000	14	\$49,494
A. Total Interest collected on OSLA loans during 2008 (include all interest collected from consumers whether collected on your own behalf or on behalf of another entity)	\$56,847,683	
Interest collected on your own behalf	\$56,847,683	
Interest collected on behalf of others	\$0	
B. Origination fees collected on OSLA loans during 2008	\$1,709,314	
C. Credit line charges collected on OSLA loans during 2008	\$151,980	
Total of lines A, B, and C	\$58,718,977	

	<b>Number</b>	<b>Dollar Amount of Loans</b>
Number of OSLA loans sold to other business entities in the calendar year 2008	0	0
Number sold to OSLA registrants	0	0
Number sold to entities exempt from the OSLA	0	0

	<b>Number</b>	<b>Dollar Amount of Loans</b>
Number of OSLA loans owned as of December 31, 2008	110,419	\$51,692,467
Number of OSLA loans serviced as of December 31, 2008	44,161	\$18,216,903
Number of the loans you service on your own behalf	43,971	\$16,603,600
Number of the loans you service on behalf of others	0	0

	<b>Number</b>	<b>Dollar Amount of Loans</b>
Total number of loans made under the OSLA in the calendar year 2008	980,285	\$417,555,999
Number of loans repayable in regular substantially equal monthly installments	2,024	\$1,802,925
Loans repayable in less than 3 monthly installments	521	\$198,599
Loans repayable in more than 3 but less than 6 monthly installments	8	\$3,073
Loans repayable in more than 6 but less than 12 monthly installments	19	\$9,293
Loans repayable in more than 12 but less than 24 monthly installments	280	\$277,980
Loans repayable in more than 24 monthly installments	1,197	\$1,315,535
Number of loans repayable in other than substantially equal monthly installments	976,712	\$415,120,771
Loans repayable as single payment demand loan	976,204	\$414,632,133
Loans repayable as balloon loan	0	0
Other: _____	508	\$488,639

# OHIO MORTGAGE LOAN ACT

2008 Annual Report

"OMLA"

Ohio Revised Code

Sections 1321.51 to 1321.60

For business conducted during calendar year 2008

	<b>2008</b>	
Number of active certificates of registration held at any time during 2008		1,976
Number of active certificates of registration held as of December 31, 2008		1,342
Assets as defined by Administrative Rule 1301:8-3-03(A)		\$285,654,641,059
Net Worth as defined by Administrative Rule 1301:08-3-03(B)		\$50,126,658,685
	<b>Number</b>	<b>Unpaid Principal Balance at Time of Origination</b>
Number of loans made under the OMLA in the calendar year 2008	558,352	\$2,695,704,008
Number of OMLA loans secured by a mortgage on real estate	13,054	\$248,755,079
Number of loans that were first mortgages	9,571	\$973,683,692
Number of loans that were second mortgages	3,975	\$79,420,280
Total Interest collected on OMLA loans during 2008 (include all interest collected from consumers whether collected on your own behalf or on behalf of another entity)	\$1,290,864,294	
Interest collected on your own behalf	\$957,191,269	
Interest collected on behalf of others	\$332,362,878	
Origination fees collected on OMLA loans during 2008	\$39,702,830	
Points collected on OMLA loans during 2008	\$14,403,509	
Credit line charges collected on OMLA loans during 2008	\$214,395	

	<b>Number</b>	<b>Unpaid Principal Balance at Time of Sale</b>
Number of OMLA loans sold to other business entities in the calendar year 2008	14,466	\$848,639,618
Number sold to OMLA registrants	4,654	\$596,755,470
Number sold to entities exempt from the OMLA	9,098	\$217,258,283

	<b>Number</b>	<b>Unpaid Principal Balance at Year End</b>
Number of OMLA loans owned as of December 31, 2008	602,249	\$9,700,340,776
Number of OMLA loans serviced as of December 31, 2008	706,625	\$16,160,102,971
Number of the loans you service on your own behalf	614,858	\$10,113,247,759
Number of the loans you service on behalf of others	164,965	\$6,424,500,422

**OMLA loans secured by a mortgage on the borrower's real estate in Ohio:**

	<b>Number</b>	<b>Unpaid Principal Balance</b>
<b>Total Loans Serviced</b>		
Serviced loans originated or funded by an unaffiliated party	74,645	\$5,508,818,283
Serviced loans originated or funded by an affiliated party	62,708	\$2,494,256,923
Serviced loans secured by owner-occupied residence	204,746	\$13,151,275,284
Serviced loans secured by a second home	1,761	\$141,920,490
Serviced loans secured by an investment property	20,278	\$1,256,174,704
Loans which are secured by a first mortgage only	106,148	\$10,410,981,150
Loans which are secured by a second mortgage only	121,578	\$3,131,350,000
Loans which you service both the first and second mortgage	17,014	\$1,117,856,428
<b>Number of Prime Loans</b>		
Fixed rate, fully amortizing	56,216	\$2,825,684,361
Hybrid ARMs (i.e. 2/28, 3/27 or similar)	499	\$50,356,790
Adjustable rate, fully amortizing	16,794	\$508,817,333
Loans with interest only feature	1,090	\$105,452,876
Loans with negative amortization feature	298	\$38,907,351
Other	1,487	\$39,993,373
<b>Number of Alt-A Loans</b>		
Fixed rate, fully amortizing	10,032	\$587,383,719
Hybrid ARMs (i.e. 2/28, 3/27 or similar)	1,876	\$195,968,463
Adjustable rate, fully amortizing	1,288,780	\$64,986,920
Loans with interest only feature	15,387,836	\$49,905,990
Loans with negative amortization feature	268	\$41,763,157
Other	1,297	\$62,110,072

Total Loans Serviced continued...

	<b>Number</b>	<b>Unpaid Principal Balance</b>
<b>Number of Subprime Loans</b>		
Fixed rate, fully amortizing	122,508	\$7,081,766,781
Hybrid ARMs (i.e. 2/28, 3/27 or similar)	15,990	\$1,599,123,862
Adjustable rate, fully amortizing	6,900	\$570,061,155
Loans with interest only feature	1,429	\$211,175,017
Loans with negative amortization feature	45	\$5,424,719
Other	11,424	\$418,431,539

### Prime Loans

By quarter, what is the total number and unpaid principal balance of the prime loans where the interest rate had or will have its initial rate reset?

By quarter, what number and unpaid principal balance of these loans are currently over 30 days past due?

	Interest rate reset		30+ Days Past Due	
	Number	Unpaid principal balance	Number	Unpaid principal balance
1st quarter 2008	83	\$7,056,196	107	\$4,422,056
2nd quarter 2008	411	\$8,187,050	113	\$4,706,301
3rd quarter 2008	78	\$34,757,912	116	\$4,960,604
4th quarter 2008	82	\$7,283,069	119	\$4,055,531
1st quarter 2009	38	\$4,220,485	110	\$4,102,871
2nd quarter 2009	45	\$6,161,951	13	\$1,218,349
3rd quarter 2009	41	\$4,248,674	12	\$1,099,834
4th quarter 2009	46	\$6,007,592	8	\$470,269

### Alt-A Loans

By quarter, what is the total number and unpaid principal balance of the Alt-A loans where the interest rate had or will have its initial rate reset?

By quarter, what number and unpaid principal balance of these loans are currently over 30 days past due?

	Interest rate reset		30+ Days Past Due	
	Number	Unpaid principal balance	Number	Unpaid principal balance
1st quarter 2008	111	\$13,278,983	36	\$4,234,649
2nd quarter 2008	130	\$16,325,528	52	\$6,511,883
3rd quarter 2008	165	\$20,655,773	61	\$7,598,717
4th quarter 2008	235	\$30,410,052	96	\$13,525,420
1st quarter 2009	143	\$18,277,969	48	\$6,242,187
2nd quarter 2009	41	\$5,222,331	12	\$1,591,459
3rd quarter 2009	62	\$7,145,032	17	\$2,433,583
4th quarter 2009	100	\$15,209,384	34	\$5,495,959

## Sub-Prime Loans

By quarter, what is the total number and unpaid principal balance of the sub-prime loans where the interest rate had or will have its initial rate reset?

By quarter, what number and unpaid principal balance of these loans are currently over 30 days past due?

	Interest rate reset		30+ Days Past Due	
	Number	Unpaid principal balance	Number	Unpaid principal balance
1st quarter 2008	2,448	\$168,704,953	633	\$57,157,793
2nd quarter 2008	2,649	\$174,897,256	697	\$63,653,907
3rd quarter 2008	2,636	\$188,898,407	825	\$76,198,541
4th quarter 2008	2,183	\$177,245,422	919	\$78,366,228
1st quarter 2009	1,625	\$129,638,210	1,063	\$47,001,633
2nd quarter 2009	459	\$50,022,716	274	\$21,973,110
3rd quarter 2009	444	\$54,503,600	219	\$22,546,265
4th quarter 2009	281	\$31,534,450	116	\$13,846,068

## Delinquency & Default

Prime Loans	Number	Unpaid principal balance
Total number of loans presently past due	6,360	\$278,659,911
30 to 59 days past due	2,964	\$86,379,782
60 to 89 days past due	839	\$32,114,440
90+ days past due	3,908	\$143,222,628
Loans (from above) which were modified in the last 12 months	657	\$13,302,321
Of those modified, number that received permanent modifications	606	\$7,709,676
Number that received temporary modifications (i.e. 6-24 months)	18	\$836,883
Loans in the process of foreclosure	747	\$20,763,029
Loans where notice of default has been sent	2,589	\$107,549,046
Loans where formal foreclosure proceedings have started	208	\$18,497,902
Loans where foreclosure proceeding is complete	588	\$44,287,598
Loans which entered delinquency within 12 months of closing	808	\$27,247,453
Loans which entered delinquency within 3 payments of initial rate reset	87	\$8,546,906

<b>Alt-A Loans</b>	<b>Number</b>	<b>Unpaid principal balance</b>
Total number of loans presently past due	3,207	\$253,050,345
30 to 59 days past due	575	\$43,032,940
60 to 89 days past due	337	\$23,444,129
90+ days past due	2,325	\$186,573,273
Loans (from above) which were modified in the last 12 months	157	\$19,743,328
Of those modified, how many received permanent modifications	154	\$19,593,757
How many received temporary modifications (i.e. 6-24 months)	3	\$149,751
Loans in the process of foreclosure	698	\$80,010,864
Loans where notice of default has been sent	2,441	\$219,875,795
Loans where formal foreclosure proceedings have started	192	\$20,407,045
Loans where foreclosure proceeding is complete	350	\$35,818,158
Loans which entered delinquency within 12 months of closing	997	\$87,357,216
Loans which entered delinquency within 3 payments of initial rate reset	575	\$68,288,545

<b>Sub-prime Loans</b>	<b>Number</b>	<b>Unpaid principal balance</b>
Total number of loans presently past due	30,100	\$2,086,735,958
30 to 59 days past due	8,871	\$482,300,875
60 to 89 days past due	4,107	\$246,760,961
90+ days past due	19,997	\$1,411,212,606
Loans (from above) which were modified in the last 12 months	4,831	\$422,297,873
Of those modified, how many received permanent modifications	4,854	\$295,634,152
How many received temporary modifications (i.e. 6-24 months)	885	\$82,110,042
Loans in the process of foreclosure	7,703	\$701,666,906
Loans where notice of default has been sent	15,830	\$1,266,163,143
Loans where formal foreclosure proceedings have started	5,494	\$526,808,275
Loans where foreclosure proceeding is complete	4,149	\$353,488,371
Loans which entered delinquency within 12 months of closing	9,646	\$608,774,733
Loans which entered delinquency within 3 payments of initial rate reset	3,515	\$348,006,227

## Loss Mitigation and Modifications

	In Process		Closed	
	Number	Unpaid principal balance	Number	Unpaid principal balance
<b>Prime Loans</b>				
Deed in lieu	10	\$351,863	0	0
Short sale	407	\$2,923,926	141	\$5,693,179
Forbearance	18	\$2,056,246	43	\$2,264,862
Repayment plan	104	\$4,700,880	86	\$2,621,565
Refinance or paid in full	1	\$18,015	28	\$205,192
Reinstatement/Account made current	115	\$2,418,647	114	\$3,478,039
Modification (principal reduction, interest rate and/or term of debt)	162	\$6,694,269	463	\$28,458,835
<b>Alt A Loans</b>				
Deed in lieu	0	0	6	\$246,972
Short sale	26	\$727,063	80	\$2,676,973
Forbearance	86	\$5,450,887	64	\$3,706,812
Repayment plan	26	\$1,220,383	73	\$2,003,792
Refinance or paid in full	57	0	19	\$104,204
Reinstatement/Account made current	118	\$7,381,610	61	\$3,832,015
Modification (principal reduction, interest rate and/or term of debt)	43	\$76,658,509	416	\$53,480,224
<b>Subprime Loans</b>				
Deed in lieu	77	\$5,464,503	231	\$24,240,483
Short sale	335	\$13,036,245	634	\$58,591,146
Forbearance	1,460	\$127,204,869	332	\$29,914,313
Repayment plan	1,477	\$89,870,974	699	\$45,750,670
Refinance or paid in full	661	\$1,518,090	695	\$28,839,607
Reinstatement/Account made current	558	\$28,384,108	2,024	\$134,038,161
Modification (principal reduction, interest rate and/or term of debt)	1,333	\$110,513,754	14,141	\$1,455,283,885
<b>Prepayment penalty waived for <u>any</u> of the above loss mitigation efforts</b>			177	\$18,908,528

**Loss Mitigation and Modifications continued...**

	<b>Number</b>	<b>Unpaid principal balance</b>
<b>Time horizon for <u>closed</u> loan modifications</b>		
Total modifications effective for less than life of the loan	9,714	\$1,052,997,852
Effective 6 months or less	8,470	\$892,446,912
Effective more than 6 months but less than 12 months	350	\$41,363,823
Effective more than 12 months but less than 24 months	282	\$26,126,694
Modification effective for life of loan	7,865	\$724,500,353
<b>Types of modifications <u>closed</u></b>		
Modification by freezing interest rate at the initial/start rate	753	\$96,361,148
Modification by reducing the interest rate below the initial/start rate	6,553	\$684,714,780
Modification by reducing the interest rate below scheduled reset rate but above start rate	1,813	\$180,119,831
Modification with extension of term	185	\$8,651,200
Modification with reduction in principal balance	363	\$29,246,136
Modification using two or more of above modifications (i.e., rate reduction and term change)	1,324	\$123,082,073
Other modification	5,321	\$536,893,734

The following table provides a breakdown of the 30-day, 60-day, and 90-plus-day combined delinquency and foreclosure rates for the registrant's OMLA residential mortgage loans as of the ending date of each month in 2008, calculated using a generally accepted industry method of delinquency reporting:

	<b>30-day</b>	<b>60-day</b>	<b>90+ day</b>
January	0.90%	0.46%	3.53%
February	0.96%	0.87%	3.77%
March	2.29%	0.42%	4.08%
April	0.98%	0.64%	3.75%
May	1.10%	0.62%	3.90%
June	1.04%	0.57%	3.96%
July	1.04%	0.52%	4.60%
August	1.09%	0.55%	4.04%
September	0.93%	0.56%	4.00%
October	1.12%	0.59%	4.06%
November	1.25%	0.67%	4.11%
December	1.29%	0.63%	4.30%

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**Department  
of Commerce**

Division of Financial Institutions

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