

LENDERS UPDATE™

ALT & ASSOCIATES NEWSLETTER

A COMPLIMENTARY SERVICE TO THE MORTGAGE LENDING INDUSTRY

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May 15, 2017

PER DIEM INTEREST **COMPLIANCE GUIDANCE**

It seems that one of the most frequent topics about which we get questions (maybe even the all-time leader) is the California rule on Per Diem interest. It is a popular topic with state regulators too, with restitution and fines following. (See California Civil Code section 2948.5)

This month, in its monthly newsletter, the California Bureau of Business Organizations has published a circular explaining the rule and providing a couple of FAQs responding to areas of frequent questioning.

The DBO states:

To assist licensees with compliance for purposes of regulatory examinations administered by the DBO, on May 4th the Commissioner issued revised Release No. 58-FS, entitled "Evidence of Compliance with Financial Code Section 50204, Subdivision (o): Per Diem Interest."

The revised release is intended to assist licensees in identifying what other documents, records, information, data, or other forms of verification contained in loan files could serve as evidence of a licensee's compliance with the per diem statute during a routine regulatory examination by the DBO.

The release may be found at:

<http://www.dbo.ca.gov/Commissioner/Releases/pdf/58fs.pdf>

ABOUT ALT & ASSOCIATES

Alt & Associates publishes the Lenders Update via e-mail as a complimentary service to our friends and clients in the financial industry throughout California and the United States. Over the past three decades, members of the firm have represented Institutional Lenders and Mortgage Bankers and Brokers in all aspects of their business operations. Legal counsel provided to the mortgage industry includes, but is not limited to:

- **Regulatory assistance, both state and federal**
- **Compliance work**
- **Operational advice**
- **Transactional work**
- **Agreements such as Loan Officer Compensation Agreements etc.**
- **Various forms of employee, officer, and/or manager contracts**
- **Litigation representation**

You may direct any questions or comments directly to:

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