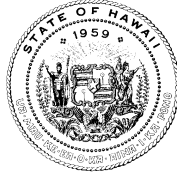


LINDA LINGLE
GOVERNOR

JAMES R. AIONA, JR.
LT. GOVERNOR

LAWRENCE M. REIFURTH
DIRECTOR



STATE OF HAWAII
DEPARTMENT OF COMMERCE & CONSUMER AFFAIRS
DIVISION OF FINANCIAL INSTITUTIONS
335 MERCHANT STREET, ROOM 221
P.O. BOX 2054
HONOLULU, HAWAII 96805

D. B. GRIFFIN III
COMMISSIONER

LYNNE H. HIMEDA
DEPUTY COMMISSIONER

PHONE: (808) 586-2820
FAX: (808) 586-2818
E-MAIL: dfi@dcca.hawaii.gov

POLICY FOR MAINTENANCE OF RECORDS BY FINANCIAL SERVICES LOAN COMPANIES

Pursuant to Section 412:3-111, Hawaii Revised Statutes, each Financial Services Loan Company must maintain at its principal office in this State all books, accounts, and records relevant to the transaction of its business in this State, for purposes of examination by State regulatory authorities.

The Division of Financial Institutions requires the records listed below to be maintained in the State at all times:

1. Loan log to be maintained for all loan applications received, setting forth the following information:
 - a. Name of loan applicants;
 - b. Assigned loan number;
 - c. Property address;
 - d. Type of loan;
 - e. Loan amount; and
 - f. Date of loan or rejection.
2. File of approved loans, with copies of all closing documents including, but not limited to:
 - a. Loan application;
 - b. Recorded mortgage;
 - c. Note;
 - d. Appraisal;
 - e. Legal disclosure statements; and
 - f. Title search/insurance.
3. File of rejected loans, with copies of:
 - a. Loan application;
 - b. Reason for rejection; and
 - c. Letter to customer informing customer of rejection

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4. Paid loan files to be maintained as follows:
 - a. Copy of note;
 - b. Copy of payment history;
 - c. Copy of pay-off calculations; and
 - d. Copy of loan application.

5. The company's procedural manual as it relates to loan matters.

In addition, the Division of Financial Institutions' staff may require certain other records for purposes of an examination made pursuant to Section 412:2-200, Hawai Revised Statutes. These records may be maintained in a central location outside the State, but should be available for review by the Division of Financial Institutions within ten (10) business days of the date that a request for such records is made.

Such records may include, but are not limited to, the records listed below:

1. Cash receipts and disbursements journal for the entire period under review;
2. General ledger or trial balances; and
3. Loan trial balances of outstanding loans in Hawaii showing the payment status of each loan. Additionally, payment histories on individual specified accounts may be requested. Balances should tie in to general ledger.