# ANALYSIS OF
# Annual Reports of Licensees
## for the years
# 1972 - 1973

STATE OF TEXAS

OFFICE OF CONSUMER CREDIT COMMISSIONER

760/314

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## ANALYSIS OF
## ANNUAL REPORTS OF LICENSEES

The information found in this publication is based on the Annual Reports received by this agency from regulated loan licensees under Chapter 3 of The Texas Credit Code of 1967. (Art. 5069–3.01 et seq. V.A.T.S.)

This booklet includes only selected data taken from the Reports. Complete reports have been printed separately and are available on request. The more detailed reports are divided into the categories found herein.

Licensees are classified as 3.15 Lenders or 3.16 Lenders according to the type of loan which was the primary source of income. Information from licensees' reports are compiled in these two major categories. The caption 3.15 refers to loans made pursuant to Article 3.15 of the Texas Credit Code and range in size to $2500; 3.16 refers to loans of $100 or less as provided in Article 3.16. The add-on interest rate in Article 3.15 from October 1, 1967 to date is $18 per $100 per year on any loan up to $300 or on the first $300 of any larger loan. The rate is $8 per $100 per year on that portion of the loan in excess of $300.

Beginning with the 1964 Annual Reports filed under the Texas Regulatory Loan Act, the agency has adjusted the insurance income of licensees upward to compensate for approximately twelve large companies which reported no insurance income or an artificial amount of insurance income due to diversion of profits directly into the parent or an affiliated company. Such adjustment has previously been based on the average profit of a sample group of companies who take their insurance income into the licensed company. This method has been found to be defective due to unusual fluctuations in insurance profits in certain companies in our sample group in 1972 and 1973. We have instituted a new method of determining an amount of insurance income attributable to the regulated loan business of all licensees which is not affected by fluctuations in individual companies. The method is as follows:

Net Earned Premiums (Gross Premiums Charged Less Refunds)

Less: Claims Paid

Less: Fifteen Percent of Net Earned Premium for Insurance Company Expense and Profit

Equals: Insurance Income to Lenders

In addition to utilizing this method for the first time in the 1972 and 1973 statistics we have accordingly revised the 1970 and 1971 statistics contained herein to present the four years on the same basis.

The information in this publication was derived from the following numbers of Reports and licensed loan offices:

| | | 1973 | 1972 | 1971 | 1970 |
|---|---|---|---|---|---|
| **3.15 Lenders—** | Number of Reports | 122 | 132 | 145 | 165 |
| | Number of Offices | 1183 | 1172 | 1163 | 1195 |
| **3.16 Lenders—** | Number of Reports | 410 | 405 | 387 | 430 |
| | Number of Offices | 655 | 653 | 617 | 673 |
| **Total—** | Number of Reports | 532 | 537 | 532 | 595 |
| | Number of Offices | 1838 | 1825 | 1780 | 1868 |

## ANALYSIS OF LOANS MADE

### Total Operations

| Year | Number | Cash Advances |
|---|---|---|
| 1973 | 2,046,170 | $725,001,642 |
| 1972 | 2,049,661 | 716,516,666 |
| 1971 | 1,980,051 | 683,673,751 |
| 1970 | 2,056,532 | 644,349,769 |

### Loans under Article 3.15

| Year | Number | Cash Advances | Average Size |
|---|---|---|---|
| 1973 | 768,823 | $637,863,614 | $830 |
| 1972 | 804,503 | 635,134,121 | 789 |
| 1971 | 778,830 | 607,483,182 | 779 |
| 1970 | 797,847 | 568,369,310 | 712 |

### Loans under Article 3.16

| Year | Number | Cash Advances | Average Size |
|---|---|---|---|
| 1973 | 1,277,347 | $ 87,138,028 | $68.21 |
| 1972 | 1,245,158 | 81,382,545 | 65.36 |
| 1971 | 1,201,221 | 76,190,569 | 63.42 |
| 1970 | 1,258,685 | 75,980,459 | 60.36 |

## ANALYSIS OF LOANS OUTSTANDING

The monthly average number, net dollar outstanding (gross outstanding loans less unearned charges), and the average size loan outstanding are as follows:

### 3.15 Lenders

| Year | Number | Net Dollars Outstanding | Average Size |
|---|---|---|---|
| 1973 | 897,313 | $602,942,525 | $672 |
| 1972 | 884,987 | 564,674,440 | 638 |
| 1971 | 888,822 | 531,118,635 | 597 |
| 1970 | 913,213 | 516,961,797 | 566 |

### 3.16 Lenders

| Year | Number | Net Dollars Outstanding | Average Size |
|---|---|---|---|
| 1973 | 338,531 | $ 24,718,962 | $73.02 |
| 1972 | 329,171 | 23,708,998 | 72.03 |
| 1971 | 316,479 | 22,196,963 | 70.13 |
| 1970 | 333,009 | 24,061,359 | 72.25 |

## ANALYSIS OF INCOME AND EXPENSES

The income and expenses per account per month for lenders in each classification are as follows:

| 3.15 Lenders | 1973 | 1972 | 1971 | 1970 |
|---|---|---|---|---|
| Gross Income | $13.25 | $13.03 | $12.42 | $11.23 |
| Expenses before Interest and Taxes | 7.91 | 7.68 | 7.40 | 6.74 |
| Net Income before Interest and Taxes | 5.34 | 5.35 | 5.02 | 4.49 |
| Expenses after Interest and Taxes | 12.14 | 11.27 | 10.79 | 10.31 |
| Net Income after Interest and Taxes | 1.11 | 1.76 | 1.63 | .92 |

| 3.16 Lenders | 1973 | 1972 | 1971 | 1970 |
|---|---|---|---|---|
| Gross Income | $ 6.38 | $ 6.21 | $ 6.03 | $ 5.85 |
| Expenses before Interest and Taxes | 5.28 | 5.14 | 4.85 | 4.74 |
| Net Income before Interest and Taxes | 1.10 | 1.07 | 1.18 | 1.11 |
| Expenses after Interest and Taxes | 5.71 | 5.58 | 5.32 | 5.22 |
| Net Income after Interest and Taxes | .67 | .63 | .71 | .63 |

The income for lenders in each classification expressed as a percentage of the December 31st Net Loan Assets is as follows:

| 3.15 Lenders | 1973 | 1972 | 1971 | 1970 |
|---|---|---|---|---|
| Net Income before Interest and Taxes | 8.78% | 8.76% | 8.67% | 8.47% |
| Net Income after Interest and Taxes | 1.84 | 2.89 | 2.82 | 1.75 |

| 3.16 Lenders | 1973 | 1972 | 1971 | 1970 |
|---|---|---|---|---|
| Net Income before Interest and Taxes | 13.90% | 14.16% | 15.71% | 15.10% |
| Net Income after Interest and Taxes | 8.46 | 8.31 | 9.45 | 8.57 |

The income for lenders in each classification expressed as a percentage of the Average Net Dollars Outstanding in loans (gross outstanding loans less unearned charges) is as follows:

| 3.15 Lenders | 1973 | 1972 | 1971 | 1970 |
|---|---|---|---|---|
| Net Income before Interest and Taxes | 9.53% | 10.07% | 10.08% | 9.52% |
| Net Income after Interest and Taxes | 1.99 | 3.32 | 3.28 | 1.96 |

| 3.16 Lenders | 1973 | 1972 | 1971 | 1970 |
|---|---|---|---|---|
| Net Income before Interest and Taxes | 18.13% | 17.91% | 20.14% | 18.38% |
| Net Income after Interest and Taxes | 11.04 | 10.52 | 12.12 | 10.42 |

A complete analysis of income and expense is shown in Exhibits B and C.

## ANALYSIS OF LOANS MADE BY CLASS OF BORROWER

The number of loans made expressed as a percentage of the total loans made for lenders in each classification are as follows:

| 3.15 Lenders | 1973 | 1972 | 1971 | 1970 |
|---|---|---|---|---|
| Loans to New Borrowers | 25.53% | 25.79% | 24.77% | 26.31% |
| Loans to Former Borrowers | 13.88% | 14.19% | 14.33% | 13.60% |
| Loans to Present Borrowers (More Cash) | 58.65% | 57.95% | 58.36% | 57.12% |
| Loans to Present Borrowers (No more Cash) | 1.94% | 2.07% | 2.54% | 2.97% |

| 3.16 Lenders | 1973 | 1972 | 1971 | 1970 |
|---|---|---|---|---|
| Loans to New Borrowers | 8.83% | 8.87% | 8.80% | 8.57% |
| Loans to Former Borrowers | 22.69% | 22.60% | 22.61% | 22.45% |
| Loans to Present Borrowers (More Cash) | 49.62% | 48.38% | 48.53% | 48.10% |
| Loans to Present Borrowers (No more Cash) | 18.86% | 20.15% | 20.06% | 20.88% |

The Cash Advance of the loans made by class of borrower showed the following information expressed as a percentage of the total Cash Advance of loans made:

| 3.15 Lenders | 1973 | 1972 | 1971 | 1970 |
|---|---|---|---|---|
| Renewal of an existing loan balance | 39.91% | 39.18% | 38.11% | 39.18% |
| Additional cash to the borrower | 60.09% | 60.82% | 61.89% | 60.82% |

| 3.16 Lenders | 1973 | 1972 | 1971 | 1970 |
|---|---|---|---|---|
| Renewal of an existing loan balance | 51.03% | 50.83% | 51.95% | 53.46% |
| Additional cash to the borrower | 48.97% | 49.17% | 48.05% | 46.54% |

## AVERAGE SIZE OFFICES

The per office average number of accounts, net dollar outstanding in loans (gross outstanding loans less unearned charges and bad debt reserves), and the net assets devoted to regulated loans for lenders in each classification were as indicated in the figures given below:

| 3.15 Lenders | 1973 | 1972 | 1971 | 1970 |
|---|---|---|---|---|
| Loans Outstanding December 31 | 763 | 774 | 761 | 766 |
| Net Loans Receivable December 31 | $504,505 | $492,988 | $462,806 | $429,519 |
| Net Loans Assets December 31 | $552,994 | $554,079 | $530,681 | $486,188 |

| 3.16 Lenders | 1973 | 1972 | 1971 | 1970 |
|---|---|---|---|---|
| Loans Outstanding December 31 | 537 | 515 | 522 | 499 |
| Net Loans Receivable December 31 | $ 38,911 | $ 36,668 | $ 36,543 | $ 34,694 |
| Net Loans Assets December 31 | $ 49,239 | $ 45,928 | $ 46,133 | $ 43,500 |

## ANALYSIS OF LOANS MADE BY NUMBER AND CASH ADVANCE
## TOTAL OPERATIONS

| 1973 | Article 3.16 | | Article 3.15 | |
|---|---|---|---|---|
| | Number | Amount | Number | Amount |
| $ 29.99 or Less | 156,050 | $ 2,758,443 | 207 | $ 3,771 |
| 30.00 to $ 35.00 | 115,899 | 3,560,931 | 643 | 18,548 |
| 35.01 to 70.00 | 327,404 | 16,408,250 | 2,650 | 149,745 |
| 70.01 to 100.00 | 677,994 | 64,410,404 | 3,871 | 347,068 |
| 100.01 to 300.00 | | | 121,766 | 24,749,681 |
| 300.01 to 500.00 | | | 157,045 | 61,334,981 |
| 500.01 to 1,000.00 | | | 249,431 | 176,536,405 |
| 1,000.01 to 1,500.00 | | | 120,532 | 147,070,690 |
| 1,500.01 to 2,500.00 | | | 112,678 | 227,652,725 |
| Total | 1,277,347 | $ 87,138,028 | 768,823 | $637,863,614 |

| 1972 | Article 3.16 | | Article 3.15 | |
|---|---|---|---|---|
| | Number | Amount | Number | Amount |
| $ 29.99 or Less | 179,904 | $ 3,112,905 | 468 | $ 10,607 |
| 30.00 to $ 35.00 | 121,272 | 3,737,571 | 116 | 3,526 |
| 35.01 to 70.00 | 335,118 | 16,789,015 | 2,214 | 117,768 |
| 70.01 to 100.00 | 608,864 | 57,743,054 | 3,279 | 293,613 |
| 100.01 to 300.00 | | | 145,004 | 29,341,097 |
| 300.01 to 500.00 | | | 159,420 | 61,973,727 |
| 500.01 to 1,000.00 | | | 261,698 | 181,951,299 |
| 1,000.01 to 1,500.00 | | | 123,109 | 146,014,019 |
| 1,500.01 to 2,500.00 | | | 109,195 | 215,428,465 |
| Total | 1,245,158 | $ 81,382,545 | 804,503 | $635,134,121 |

| 1971 | Article 3.16 | | Article 3.15 | |
|---|---|---|---|---|
| | Number | Amount | Number | Amount |
| $ 29.99 or Less | 182,418 | $ 3,065,932 | 853 | $ 14,579 |
| 30.00 to $ 35.00 | 136,388 | 4,270,419 | 646 | 21,435 |
| 35.01 to 70.00 | 338,208 | 17,079,660 | 2,153 | 120,455 |
| 70.01 to 100.00 | 544,207 | 51,774,558 | 3,558 | 330,842 |
| 100.01 to 300.00 | | | 147,805 | 29,469,182 |
| 300.01 to 500.00 | | | 157,020 | 61,097,287 |
| 500.01 to 1,000.00 | | | 251,756 | 177,503,407 |
| 1,000.01 to 1,500.00 | | | 117,642 | 142,491,319 |
| 1,500.01 to 2,500.00 | | | 97,397 | 196,434,676 |
| Total | 1,201,221 | $ 76,190,569 | 778,830 | $607,483,182 |

| 1970 | Article 3.16 | | Article 3.15 | |
|---|---|---|---|---|
| | Number | Amount | Number | Amount |
| $ 35.00 or Less | 366,364 | $ 8,033,202 | 2,025 | $ 41,374 |
| 35.01 to 70.00 | 361,152 | 17,915,983 | 3,875 | 206,055 |
| 70.01 to 100.00 | 531,169 | 50,031,274 | 4,591 | 420,628 |
| 100.01 to 300.00 | | | 171,323 | 34,159,560 |
| 300.01 to 500.00 | | | 173,848 | 67,913,541 |
| 500.01 to 1,000.00 | | | 253,398 | 175,998,569 |
| 1,000.01 to 1,500.00 | | | 110,701 | 132,387,501 |
| 1,500.01 to 2,500.00 | | | 78,086 | 157,242,082 |
| Total | 1,258,685 | $ 75,980,459 | 797,847 | $568,369,310 |

## EXHIBIT A-1
## BALANCE SHEETS
## 1972

| ASSETS | LENDERS CLASSIFIED AS 3.15 LENDERS | LENDERS CLASSIFIED AS 3.16 LENDERS | TOTAL |
|---|---|---|---|
| Loans Receivable | | | |
| Number | 908,136 | 336,557 | 1,244,693 |
| Gross Unpaid Balances | $ 708,291,330 | $ 29,239,700 | $ 737,531,030 |
| Unearned Interest and Charges | ( 112,266,124) | ( 4,282,966) | ( 116,549,090) |
| Net Loans Receivable | 596,025,206 | 24,956,734 | 630,981,940 |
| Reserve for Bad Debts | ( 18,243,454) | ( 1,011,881) | ( 19,255,335) |
| Adjusted Net Loans Receivable | 577,781,752 | 23,944,853 | 601,726,605 |
| Cash on Hand and in Banks | 13,623,272 | 2,503,796 | 16,127,068 |
| Capital Assets: | | | |
| Land and Buildings | 388,119 | 1,003,554 | 1,391,673 |
| Furniture, Fixtures and Equipment | 6,861,985 | 1,887,134 | 8,749,119 |
| Leasehold Improvements | 1,264,120 | 144,439 | 1,408,559 |
| Gross Capital Assets | 8,514,224 | 3,035,127 | 11,549,351 |
| Allowances for Depreciation and Amortization | ( 4,572,550) | ( 1,338,493) | ( 5,911,043) |
| Net Capital Assets | 3,941,674 | 1,696,634 | 5,638,308 |
| Organizational Expenses (Less Amortization) | 34,001 | 40,498 | 74,499 |
| Deferred Charges | 2,751,821 | 245,657 | 2,997,478 |
| Other Regulated Loan Business Assets | 51,248,690 | 1,559,646 | 52,808,336 |
| Total Regulated Loan Assets | $ 649,381,210 | $ 29,991,084 | $ 679,372,294 |
| Other Business Assets | 418,901,516 | 9,538,883 | 428,440,399 |
| TOTAL ASSETS | $1,068,282,726 | $ 39,529,967 | $1,107,812,693 |

| LIABILITIES AND CAPITAL | | | |
|---|---|---|---|
| Accounts Payable | $ 8,926,752 | $ 618,079 | $ 9,544,831 |
| Accrued Expenses | 1,259,253 | 266,066 | 1,525,319 |
| Borrowed Funds: | | | |
| Banks | 41,281,963 | 4,417,848 | 45,699,811 |
| Other Creditors | 105,738,198 | 6,013,501 | 111,751,699 |
| Parent Company or Affiliates | 519,712,206 | 2,028,392 | 521,740,598 |
| Total Borrowed Funds | 666,732,367 | 12,459,741 | 679,192,108 |
| Bonds and Debentures | 55,607,581 | 368,856 | 55,976,437 |
| Other Liabilities | 136,518,409 | 800,914 | 137,319,323 |
| Total Liabilities | $ 869,044,362 | $ 14,513,656 | $ 883,558,018 |
| CAPITAL: Individual Owners and Partnerships | 8,506,902 | 14,034,138 | 22,541,040 |
| CAPITAL: Corporations | 190,731,462 | 10,982,173 | 201,713,635 |
| TOTAL LIABILITIES AND CAPITAL | $1,068,282,726 | $ 39,529,967 | $1,107,812,693 |

## EXHIBIT A-2
## BALANCE SHEETS
## 1973

| | LENDERS CLASSIFIED AS 3.15 LENDERS | LENDERS CLASSIFIED AS 3.16 LENDERS | TOTAL |
|---|---|---|---|
| **ASSETS** | | | |
| Loans Receivable | | | |
| Number | 903,313 | 351,800 | 1,255,113 |
| Gross Unpaid Balances | $ 730,428,211 | $ 31,494,930 | $ 761,923,141 |
| Unearned Interest and Charges | ( 115,180,893) | ( 4,777,099) | ( 119,957,992) |
| Net Loans Receivable | 615,247,318 | 26,717,831 | 641,965,149 |
| Reserve for Bad Debts | ( 18,418,109) | ( 1,230,627) | ( 19,648,736) |
| Adjusted Net Loans Receivable | 596,829,209 | 25,487,204 | 622,316,413 |
| Cash on Hand and in Banks | 13,698,109 | 2,267,591 | 15,965,700 |
| Capital Assets: | | | |
| Land and Buildings | 316,414 | 823,226 | 1,139,640 |
| Furniture, Fixtures and Equipment | 6,809,768 | 1,928,931 | 8,738,699 |
| Leasehold Improvements | 1,154,117 | 141,964 | 1,296,081 |
| Gross Capital Assets | 8,280,299 | 2,894,121 | 11,174,420 |
| Allowances for Depreciation and Amortization | ( 4,251,549) | ( 1,263,702) | ( 5,515,251) |
| Net Capital Assets | 4,028,750 | 1,630,419 | 5,659,169 |
| Organizational Expenses (Less Amortization) | 28,421 | 24,735 | 53,156 |
| Deferred Charges | 2,791,009 | 227,174 | 3,018,183 |
| Other Regulated Loan Business Assets | 36,816,580 | 2,614,497 | 39,431,077 |
| Total Regulated Loan Assets | $ 654,192,078 | $ 32,251,620 | $ 686,443,698 |
| Other Business Assets | 571,307,736 | 16,998,023 | 588,305,759 |
| TOTAL ASSETS | $1,225,499,814 | $ 49,249,643 | $1,274,749,457 |
| **LIABILITIES AND CAPITAL** | | | |
| Accounts Payable | $ 10,965,663 | $ 479,330 | $ 11,444,993 |
| Accrued Expenses | 1,623,410 | 356,872 | 1,980,282 |
| Borrowed Funds: | | | |
| Banks | 43,909,988 | 8,033,315 | 51,943,303 |
| Other Creditors | 91,610,298 | 7,697,214 | 99,307,512 |
| Parent Company or Affiliates | 644,261,205 | 2,300,577 | 646,561,782 |
| Total Borrowed Funds | 779,781,491 | 18,031,106 | 797,812,597 |
| Bonds and Debentures | 52,114,194 | 472,847 | 52,587,041 |
| Other Liabilities | 175,232,753 | 889,683 | 176,122,436 |
| Total Liabilities | $1,019,717,511 | $ 20,229,838 | $1,039,947,349 |
| CAPITAL: Individual Owners and Partnerships | 8,347,009 | 13,410,145 | 21,757,154 |
| CAPITAL: Corporations | 197,435,294 | 15,609,660 | 213,044,954 |
| TOTAL LIABILITIES AND CAPITAL | $1,225,499,814 | $ 49,249,643 | $1,274,749,457 |

## EXHIBIT B-1
## INCOME AND EXPENSE STATEMENTS
## 1972

| | LENDERS CLASSIFIED AS 3.15 LENDERS | LENDERS CLASSIFIED AS 3.16 LENDERS | TOTAL |
|---|---|---|---|
| **INCOME** | | | |
| Unearned Interest and Charges Previous Year | $102,918,523 | $ 3,972,480 | $106,891,003 |
| Interest Charges 3.15 Loans | 157,665,557 | 701,738 | 158,367,295 |
| Installment Account Handling Charges 3.16 Loans | 1,157,385 | 17,950,659 | 19,108,044 |
| Sub Total | 261,741,465 | 22,624,877 | 284,366,342 |
| Less: Unearned Interest and Charges Current Year | 112,266,124 | 4,282,966 | 116,549,090 |
| Less: Refunds | 46,026,487 | 3,266,682 | 49,293,169 |
| Earned Interest and Charges | 103,448,854 | 15,075,229 | 118,524,083 |
| Acquisition Charges 3.16 Loans | 486,590 | 7,905,040 | 8,391,630 |
| Deferment Charges | 1,899,507 | 63,300 | 1,962,807 |
| Default Charges | 6,499,355 | 706,196 | 7,205,551 |
| Collections on Accounts Previously Charged Off | 2,205,472 | 528,747 | 2,734,219 |
| Insurance Income | 23,209,838 | 85,633 | 23,295,471 |
| Other Income from Regulated Loans | 702,587 | 201,128 | 903,715 |
| Total Income | $138,452,203 | $ 24,565,273 | $163,017,476 |
| **EXPENSE** | | | |
| Advertising | $ 3,374,476 | $ 536,681 | $ 3,911,157 |
| Bad Debts: | | | |
| Charged Off | 1,482,752 | 1,503,598 | 2,986,350 |
| Additions to Reserves | 17,645,906 | 1,431,018 | 19,076,924 |
| Rent, Lights, Heat and Janitor Service | 5,013,406 | 1,464,239 | 6,477,645 |
| Salaries of Officers, Owners and Partners | 1,509,514 | 2,888,831 | 4,398,345 |
| Salaries of All Other Employees | 27,643,926 | 7,050,312 | 34,694,238 |
| Supervision and Administration | 7,107,259 | 1,004,338 | 8,111,597 |
| License and Examination Fees | 219,669 | 99,461 | 319,130 |
| Other Expense | 17,563,063 | 4,340,662 | 21,903,725 |
| Total Expenses before Interest and Federal Taxes | $ 81,559,971 | $ 20,319,140 | $101,879,111 |
| Net Income before Interest and Federal Taxes | $ 56,892,232 | $ 4,246,133 | $ 61,138,365 |
| Interest Expense: | | | |
| Bona Fide Third Parties | 4,198,054 | 610,965 | 4,809,019 |
| Affiliates | 27,084,133 | 100,693 | 27,184,826 |
| Total Interest | 31,282,187 | 711,658 | 31,993,845 |
| Total Expenses before Federal Taxes | $112,842,158 | $ 21,030,798 | $133,872,956 |
| Net Operational Income | 25,610,045 | 3,534,475 | 29,144,520 |
| Federal Income Taxes | 6,834,909 | 1,041,172 | 7,876,081 |
| Net Income | $ 18,775,136 | $ 2,493,303 | $ 21,268,439 |

## EXHIBIT B-2
## INCOME AND EXPENSE STATEMENTS
## 1973

| | LENDERS CLASSIFIED AS 3.15 LENDERS | LENDERS CLASSIFIED AS 3.16 LENDERS | TOTAL |
|---|---|---|---|
| **INCOME** | | | |
| Unearned Interest and Charges Previous Year | $112,182,746 | $ 4,312,148 | $116,494,894 |
| Interest Charges 3.15 Loans | 159,781,044 | 536,411 | 160,317,455 |
| Installment Account Handling Charges 3.16 Loans | 1,049,058 | 19,504,833 | 20,553,891 |
| Sub Total | 273,012,848 | 24,353,392 | 297,366,240 |
| Less: Unearned Interest and Charges Current Year | 115,180,893 | 4,777,099 | 119,957,992 |
| Less: Refunds | 48,125,173 | 3,601,745 | 51,726,918 |
| Earned Interest and Charges | 109,706,782 | 15,974,548 | 125,681,330 |
| Acquisition Charges 3.16 Loans | 449,960 | 8,501,778 | 8,951,738 |
| Deferment Charges | 1,853,765 | 74,380 | 1,928,145 |
| Default Charges | 6,763,631 | 741,825 | 7,505,456 |
| Collections on Accounts Previously Charged Off | 1,811,577 | 499,475 | 2,311,052 |
| Insurance Income | 20,972,223 | 53,999 | 21,026,222 |
| Other Income from Regulated Loans | 1,084,682 | 97,824 | 1,182,506 |
| Total Income | $142,642,620 | $ 25,943,829 | $168,586,449 |
| **EXPENSE** | | | |
| Advertising | $ 3,168,200 | $ 586,331 | $ 3,754,531 |
| Bad Debts: | | | |
| Charged Off | 1,458,635 | 1,452,928 | 2,911,563 |
| Additions to Reserves | 19,898,825 | 1,721,585 | 21,620,410 |
| Rent, Lights, Heat and Janitor Service | 5,048,305 | 1,527,472 | 6,575,777 |
| Salaries of Officers, Owners and Partners | 2,051,540 | 2,965,159 | 5,016,699 |
| Salaries of All Other Employees | 28,043,300 | 7,508,299 | 35,551,599 |
| Supervision and Administration | 7,169,077 | 1,010,624 | 8,179,701 |
| License and Examination Fees | 288,761 | 142,671 | 431,432 |
| Other Expense | 18,069,005 | 4,546,892 | 22,615,897 |
| Total Expenses before Interest and Federal Taxes | $ 85,195,648 | $ 21,461,961 | $106,657,609 |
| Net Income before Interest and Federal Taxes | $ 57,446,972 | $ 4,481,868 | $ 61,928,840 |
| Interest Expense: | | | |
| Bona Fide Third Parties | 7,221,836 | 628,516 | 7,850,352 |
| Affiliates | 31,660,708 | 160,832 | 31,821,540 |
| Total Interest | 38,882,544 | 789,348 | 39,671,892 |
| Total Expenses before Federal Taxes | $124,078,192 | $ 22,251,309 | $146,329,501 |
| Net Operational Income | 18,564,428 | 3,692,520 | 22,256,948 |
| Federal Income Taxes | 6,559,839 | 965,154 | 7,524,993 |
| Net Income | $ 12,004,589 | $ 2,727,366 | $ 14,731,955 |

## EXHIBIT C-1
## INCOME AND EXPENSE STATEMENTS
## 1972

| | Figures expressed as a percentage of the Average Net Dollars Outstanding | | Figures expressed as a percentage of the Gross Income | |
|---|---|---|---|---|
| **INCOME** | **3.15 Lenders** | **3.16 Lenders** | **3.15 Lenders** | **3.16 Lenders** |
| Unearned Interest and Charges Previous Year | 18.23% | 16.75% | 74.33% | 16.17% |
| Interest Charges 3.15 Loans | 27.92 | 2.96 | 113.88 | 2.86 |
| Installment Account Handling Charges 3.16 Loans | .20 | 75.71 | .84 | 73.07 |
| Sub Total | 46.35 | 95.42 | 189.05 | 92.10 |
| Less: Unearned Interest and Charges Current Year | 19.88 | 18.06 | 81.09 | 17.43 |
| Less: Refunds | 8.15 | 13.78 | 33.24 | 13.30 |
| Earned Interest and Charges | 18.32 | 63.58 | 74.72 | 61.37 |
| Acquisition Charges 3.16 Loans | .09 | 33.34 | .35 | 32.18 |
| Deferment Charges | .33 | .27 | 1.37 | .26 |
| Default Charges | 1.15 | 2.98 | 4.70 | 2.87 |
| Collections on Accounts Previously Charged Off | .39 | 2.23 | 1.59 | 2.15 |
| Insurance Income | 4.11 | .36 | 16.76 | .35 |
| Other Income from Regulated Loans | .12 | .85 | .51 | .82 |
| Total Income | 24.51% | 103.61% | 100.00% | 100.00% |
| **EXPENSE** | | | | |
| Advertising | .60% | 2.26% | 2.44% | 2.18% |
| Bad Debts: | | | | |
| Charged Off | .26 | 6.34 | 1.07 | 6.12 |
| Additions to Reserves | 3.12 | 6.03 | 12.75 | 5.83 |
| Rent, Lights, Heat and Janitor Service | .89 | 6.18 | 3.62 | 5.96 |
| Salaries of Officers, Owners and Partners | .27 | 12.18 | 1.09 | 11.76 |
| Salaries of All Other Employees | 4.89 | 29.74 | 19.97 | 28.70 |
| Supervision and Administration | 1.26 | 4.24 | 5.13 | 4.09 |
| License and Examination Fees | .04 | .42 | .16 | .40 |
| Other Expense | 3.11 | 18.31 | 12.68 | 17.67 |
| Total Expenses before Interest and Federal Taxes | 14.44 | 85.70 | 58.91 | 82.71 |
| Net Income before Interest and Federal Taxes | 10.07 | 17.91 | 41.09 | 17.29 |
| Interest Expense: | | | | |
| Bona Fide Third Parties | .74 | 2.58 | 3.03 | 2.49 |
| Affiliates | 4.80 | .42 | 19.56 | .41 |
| Total Interest | 5.54 | 3.00 | 22.59 | 2.90 |
| Total Expenses before Federal Taxes | 19.98 | 88.70 | 81.50 | 85.61 |
| Net Operational Income | 4.53 | 14.91 | 18.50 | 14.39 |
| Federal Income Taxes | 1.21 | 4.39 | 4.94 | 4.24 |
| Net Income | 3.32% | 10.52% | 13.56% | 10.15% |

## EXHIBIT C-2
## INCOME AND EXPENSE STATEMENTS
## 1973

| | Figures expressed as a percentage of the Average Net Dollars Outstanding | | Figures expressed as a percentage of the Gross Income | |
|---|---|---|---|---|
| **INCOME** | **3.15 Lenders** | **3.16 Lenders** | **3.15 Lenders** | **3.16 Lenders** |
| Unearned Interest and Charges Previous Year | 18.61% | 17.44% | 78.65% | 16.62% |
| Interest Charges 3.15 Loans | 26.50 | 2.17 | 112.01 | 2.06 |
| Installment Account Handling Charges 3.16 Loans | .17 | 78.91 | .74 | 75.18 |
| Sub Total | 45.28 | 98.52 | 191.40 | 93.86 |
| Less: Unearned Interest and Charges Current Year | 19.10 | 19.32 | 80.75 | 18.41 |
| Less: Refunds | 7.98 | 14.57 | 33.74 | 13.88 |
| Earned Interest and Charges | 18.20 | 64.63 | 76.91 | 61.57 |
| Acquisition Charges 3.16 Loans | .07 | 34.39 | .32 | 32.77 |
| Deferment Charges | .31 | .30 | 1.30 | .29 |
| Default Charges | 1.12 | 3.00 | 4.74 | 2.86 |
| Collections on Accounts Previously Charged Off | .30 | 2.02 | 1.27 | 1.92 |
| Insurance Income | 3.48 | .22 | 14.70 | .21 |
| Other Income from Regulated Loans | .18 | .40 | .76 | .38 |
| Total Income | 23.66% | 104.96% | 100.00% | 100.00% |
| **EXPENSE** | | | | |
| Advertising | .52% | 2.37% | 2.22% | 2.26% |
| Bad Debts: | | | | |
| Charged Off | .24 | 5.88 | 1.02 | 5.60 |
| Additions to Reserves | 3.30 | 6.96 | 13.95 | 6.64 |
| Rent, Lights, Heat and Janitor Service | .84 | 6.18 | 3.54 | 5.89 |
| Salaries of Officers, Owners and Partners | .34 | 12.00 | 1.44 | 11.43 |
| Salaries of All Other Employees | 4.65 | 30.38 | 19.66 | 28.94 |
| Supervision and Administration | 1.19 | 4.09 | 5.03 | 3.90 |
| License and Examination Fees | .05 | .58 | .20 | .55 |
| Other Expense | 3.00 | 18.39 | 12.67 | 17.52 |
| Total Expenses before Interest and Federal Taxes | 14.13 | 86.83 | 59.73 | 82.73 |
| Net Income before Interest and Federal Taxes | 9.53 | 18.13 | 40.27 | 17.27 |
| Interest Expense: | | | | |
| Bona Fide Third Parties | 1.20 | 2.54 | 5.06 | 2.42 |
| Affiliates | 5.25 | .65 | 22.20 | .62 |
| Total Interest | 6.45 | 3.19 | 27.26 | 3.04 |
| Total Expenses before Federal Taxes | 20.58 | 90.02 | 86.99 | 85.77 |
| Net Operational Income | 3.08 | 14.94 | 13.01 | 14.23 |
| Federal Income Taxes | 1.09 | 3.90 | 4.60 | 3.72 |
| Net Income | 1.99% | 11.04% | 8.41% | 10.51% |