STATE OF ALABAMA
STATE BANKING DEPARTMENT
BUREAU OF LOANS
(NOT SUBJECT TO APA)
ADMINISTRATIVE CODE

CHAPTER 155-2-2
ALABAMA CONSUMER CREDIT ACT REGULATIONS

155-2-2-.10 Records to be Maintained by Licensee.

(1) Unless otherwise approved pursuant to Regulation 155-2-2-.10(6), each licensee shall maintain adequate files at each licensed location containing all information necessary to verify compliance with the Alabama Consumer Credit Act and regulations, including, but not limited to, the following:

a. Charges and disclosure information.

b. Paid out, renewed or refinanced account records from which refund verifications may be made shall be kept in readily available files covering a maximum of the preceding two-year period. Older records shall be removed from files or separately segregated. Refund records shall itemize the amount of finance charge refunded and the amount refunded on each type of permissible insurance included in the transaction.

c. Each licensee shall maintain up-to-date forms on all insurance claims filed, which shall contain all pertinent information necessary to verify compliance with the Act and regulations and proper settlement of all such claims. A copy of the death certificate shall be maintained on death claims. A copy of the police and/or fire report shall be maintained on property claims if such a report is made. In the event of a death claim, the unearned premium of credit life insurance is considered earned by the insurance company but the unearned premium of all other credit insurance shall be refunded to the second beneficiary or the estate of the debtor. The settlement of death claims shall be as of the date of death. The proceeds of any insurance claim applicable to a period of time preceding death shall be credited to the account prior to the computation of death claim benefits. All amounts in excess of that required to pay the indebtedness shall be paid by check to the second beneficiary or estate of the debtor.

d. An up-to-date record of suits filed against debtors and of

repossessions whether judicial, non-judicial or voluntary release by the debtors and a deficiency itemization in connection with repossessions including but not limited to add-ons prior to sale (i.e., re-conditioning, battery, etc.). This record shall be maintained on a prepared sheet listing, including, but not limited to, the name and address of the debtor, the account number, the amount financed and the date of the contract, the name of the court and county in which suit was filed and the case number, the date of suit and amount, the date of judgment and amount, the date of garnishment, amount and employer. For credit sale transactions, the record also must list the cash price of the goods repossessed or surrendered, a condition report and book value as applicable on the repossessed item(s), and the amount received from the sale of the repossessed item(s), the date sold and the name and address of the purchaser.

e. An up-to date record of claims filed in arbitration which have not resulted in litigation.

f. When any obligation is paid in full, the licensee shall cause each instrument executed by the debtor evidencing the debt to be marked "Paid" or "Canceled", showing the date of such payment or cancellation, and when duly requested, returned promptly to the debtor together with the release of any mortgages and termination of security interests filed.

(2) Each licensee shall maintain an adequate and readily available record on each borrower, showing the following information:

a. Loan or account number,

b. Name and address of the borrower,

c. Name of co-makers, endorser, guarantors and sureties,

d. Date of loan,

e. Schedule of payments (number and amount),

f. Date of first payment and maturity date,

g. Amount financed and finance charge and components thereof and the total of payments, as applicable,
h. Recording or filing and releasing fee if collected, where recorded and date released,

i. Type of security pledged,

j. Date and amount of payments received (posting shall be as of the date payments are received and payments made from insurance proceeds shall be so noted),

k. The amount of each payment applied to interest and amount applied to principal (if interest is not pre-computed),

I. The unpaid balance after each payment,

m. The amount of late charges collected, and

n. Any insurance premiums collected.

(3) If the licensee is also licensed under the provisions of the Small Loan Act, the records in connection with loans made under each act shall be maintained separately and apart or if computerized, such records shall be segregated according to the act under which the loan was made and retrievable in such a manner.

(4) A licensee may maintain records by a generally recognized record retention system provided the Department is afforded access to such system.

(5) A licensee must provide pay-off information in writing to the borrower without charge.

(6) A licensee shall not sell, transfer, remove or otherwise dispose of any relevant record from its licensed location within two years after the last transaction on the account without the prior written approval of the Supervisor.

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