

November 13, 2012

Patrick O'Donnell
City Council, Long Beach
City Hall 14th Floor
333 West Ocean Boulevard
Long Beach, California 90802

Re: Dollar Loan Center's application for a Conditional Use Permit (CUP) to operate in Long Beach

To the Distinguished Members of the Long Beach City Council,

I am writing to you today to ask you to support Dollar Loan Center's application for a Conditional Use Permit (CUP) to operate in Long Beach. I personally know Chuck Brennan, CEO of Dollar Loan Center (DLC), both as a client and friend, and I feel his organization is good for both the communities it inhabits as well as the clients it serves. In our due diligence before accepting DLC as a client, we could find no complaints by clients, the Better Business Bureau, or local law enforcement.

DLC's philanthropic endeavors shine as an example of what business and community can do together. DLC has raised millions of dollars on behalf of the Boys and Girls Clubs of America, and has donated generously to the Henderson Little League of Henderson, NV; Opportunity Village of Las Vegas, NV; and the 15 Foundation (15foundation.org). DLC gives back to the communities of which it is a part because it takes seriously its commitment to those communities.

It's easy to write off DLC as a payday loan operation, but that would be shortsighted and wrong. DLC's \$2,500 signature loans are in fact an alternative to payday loans for much more qualified borrowers. A few facts:

- 15% Loan Approvals (Much more discerning than a payday loan)
- 5% Default Rate (Payday Loans - 10-20% Default, according to The Atlantic)
- 17 Day Average Loan Repayment
- \$50,000 Minimum Income Requirement

As I said before, it is easy to marginalize the entire short-term loan industry altogether, but that would be to the detriment of Long Beach and its citizens. The world is not black and white, and I urge you to recognize a good actor in a marginal space and approve Dollar Loan Center's CUP with all possible haste.

Sincerely,



Carl P Dene
Principal, Vision Design Studio



Dollar Loan Center

Dollar Loan Center Information

- Has been in business for 14 years, has 73 locations, and 18 are in So Cal
- Is licensed in the State of California under the California Finance Lenders Law (CFLL) to provide short-term consumer loans.
- Is NOT licensed by the State of California to provide payday loans and is not a deferred deposit lender
- Provides a fully amortized \$2,500 loan.
 - Does not hold a means of payment or a customer's asset as collateral for a loan.
 - There are no origination fees, no application fees, and no prepayment penalties.
 - You pay interest only for the time that you hold the loan.
- Does not do payday loans, title loans, or check cashing
- Has minimum monthly household income underwriting guidelines
 - Approximately 52 percent of the households in Long Beach would not qualify for a loan due to the income guidelines.
- Is putting money back into the local economy and creating local jobs (3 Long Beach residents and 60 Californians to date)
- Is an excellent partner in all of the Cities and States in which they operate and support many local and national charities
- Takes great pride in customer relationships and our stores are better positioned to serve the un-banked and under-banked.
- Builds secure and comfortable locations where people live and do not just cater to the "new" neighborhoods.

General Information

- The majority of the U.S. population will qualify for **a payday loan, check cashing, or title loan.** **Not all applicants will qualify for a signature loan.**
- Very few banks make small dollar loans and most banks underwriting criteria make it impossible for customers to get a loan thus creating a segment of our population that is unbanked or under-banked.
- 25.8% of the households in California are unbanked or under-banked
- 51.7% of the African American population and 40.9% of the Hispanic population are unbanked or under-banked in California.
- The unbanked and under-banked population conducts its business through alternative financial services
- Consumers that use non-bank financial services perceive them to be more convenient, faster, less expensive, or less difficult to access (in terms of qualifying for the products)

Dollar Loan Center



Dollar Loan Center

Dollar Loan Center

Dollar loan Center has been in business for 14 years and currently has 73 locations that provide short-term consumer loans to the people of California, Nevada, Utah, and South Dakota. There are currently 18 locations in California in the cities of Anaheim, Los Angeles, Brea, Arcadia, Huntington Beach, Glendale, Hawthorne, Gardena, Studio City, Torrance, Valley Village, Santa Ana, Mission Hills, Costa Mesa, Artesia, Norwalk, and La Verne.

Dollar Loan Center Licensing

Dollar Loan Center is licensed in by the Department of Corporations under the California Finance Lenders Law and licensed by the States of Nevada, Utah, and South Dakota by their respective laws. Dollar Loan Centers are not licensed to provide payday loans or cash checks and our California product is within the parameters of the California License Lenders Law. Other Long Beach companies licensed under the California Finance Lenders Law and providing like short-term consumer loans are American Lending, Colbie Pacific Capital, and Elite Cash Services

The Dollar Loan Center Lending

Dollar Loan Center provides fast, easy, and confidential short-term consumer loans to our customers. Dollar Loan Center does not hold a means of payment or a consumer's asset as collateral for a loan. As such, Dollar Loan center carefully scrutinizes and underwrites all applications, including the running of a full credit check. Dollar Loan Center has always been committed to the principle of responsible lending and caters to an informed clientele. The process to obtain a loan from Dollar Loan Center is very similar to the process a customer may undergo to obtain a personal loan from a traditional depository bank or a credit union. All Dollar Loan Center are short-term loans and simple interest is charged only for the time that a consumer has the loan out. The consumer determines how much interest they will pay by the length of time the consumer holds the loan. The Dollar Loan Center product is fully amortized so there is a maximum term that the borrower can keep his loan out. At the end of that term the loan is paid in full. There are no balloon payments or additional interest payments and there is never an application fee, origination fee, or prepayment penalty charged.

National and Local Banking Trends

Nationally, more than one in four households (28.3 percent) are either un-banked or under-banked and conduct some or all of their financial transactions outside of the mainstream banking system. Many of these households rely on AFS providers.¹ (Alternative Financial Service)

In California 7.8% of households are un-banked and 18.0% of households are under-banked and those percentages increase substantially when they are viewed by race. 51.7% of the African-American population and 40.9% of the Hispanic population in California are either un-banked or under-banked.² This is not a section of the population that can turn be ignored or denied the opportunity to receive convenient financial assistance when it is needed.

Dollar Loan Center

Consumer Perception

Consumers that use non-bank financial services perceive them to be more convenient, faster, less expensive, or less difficult to access (in terms of qualifying for the products)³

Dollar Loan Center in the Community

Dollar Loan Center is an excellent partner in all of the Cities and States in which we operate. Our charitable giving includes the Boys & Girls Club, Children's Miracle Network, Little League Baseball, Opportunity Village, Susan G. Komen for the Cure, and many others. They embrace the opportunity to be a strong corporate citizen in Long Beach and all communities. Dollar Loan Center is also putting money back into the local economy by creating local jobs. Every DLC location hires at minimum 3 employees to operate the store and will have 75 employees in California by the end of the year. Currently we employ over 60 Californians in the fields of Customer Service, Information Technology, Security, Facility Maintenance, and Process Managers.

Dollar Loan Center Locations

All DLC locations are built to show our appreciation and respect for our customers. We value their business and respect their privacy and build locations that reflect these values.

Dollar Loan Center takes great pride in our customer relationships and our stores are better positioned to serve the un-banked and under-banked than those non-CFLL competitors that focus on providing pay-day loans and check cashing versus our goal of providing short-term consumer loans in a comfortable and transparent setting within the parameters of the California Finance Lenders Law.

References:

¹http://www.fdic.gov/householdsurvey/2012_unbankedreport.pdf

²<http://economicinclusion.gov/surveys/place-data.html?where=California&when=2011>

³http://assets.newamerica.net/blogposts/2012/fdic_2011_survey_of_unbanked_and_underbanked_households_highlight_opportunities_for_b