

## Bureau of Real Estate

### Instructions for Completing the Business Activity Report

#### General Instructions

The Business Activity Report (BAR) must be completed and submitted within 90 days following the end of your fiscal year. All BARs must be submitted online; do not mail a PDF version.

If the BAR is being submitted on behalf of a sole proprietorship, the broker must complete the report. If the BAR is being submitted on behalf of a real estate corporation, the corporation's designated officer must complete the report.

#### Login

Enter your BRE license number, birth date, and the last four digits of your social security number. All entities associated with your broker's license number will be listed. You can access and complete the BAR for each entity from this entry point.

#### Data Entry

Enter zero for no activity; do not leave entries blank. Round principal amounts to the nearest dollar and round interest rates to three decimal points.

Make sure you check the data entered in the report as you will be attesting to its accuracy and the report will be made final upon submission.

#### Certification

Enter the name of the broker or designated officer submitting the report in the signature box. Enter also the corresponding BRE license number, NMLS ID number (if it did not auto-populate), business telephone number, email address, and alternate telephone number.

Brokers who are required to complete Part B of the BAR will sign and certify at the end of Part B.

#### Saving the Report

You will have three options for saving or completing the report.

1. Save & Submit - The report will be made final and submitted to the BRE.
2. Save for Later - The unfinished report will be saved for 21 days to allow you to finish and submit the report at a later time. The data will be lost if the report is not submitted within the 21-day period. Spaces left blank will be auto-populated with zeroes. Upon reopening the report, the zeroes will be highlighted for your review.
3. Logout - No data or changes will be saved.

#### Printing the Report

You can print and save PDF versions of a report to your personal files after it has been submitted. To do this, log in to the Business Activity Reporting System using the same credentials under which you submitted the report. Select the entity desired from the list of licensees and affiliated corporations and click "Continue". You can then save or print a PDF version of your submitted report. PDF versions will be accessible online until the next filing period.

#### Penalties

Failure to file the report in a timely fashion may result in an audit and disciplinary action against your license.

#### Broker Information

Entity name, main office address, fiscal year end date, BRE license number, and NMLS ID number may be auto-populated based on your log-in information. You can change your main office address by submitting the RE 204 or RE 204A form to the BRE.

Make sure your fiscal year end date is entered to enable submission.

If branch locations have been auto-populated, check the boxes for applicable locations. You can add a branch location by submitting the RE 203 form to the BRE.

#### PART A

Complete Part A if you perform residential mortgage loan activities as described in [B&P §10166.07\(a\)](#).

#### Salespersons and Broker-Associates

A list of your salespersons will auto-populate if the salespersons' employment has been reported to the BRE. Check the boxes next to the names of those employed by the entity for the fiscal year being reported. You can make changes by submitting the RE 214 or 214A form to the BRE.

Broker-associates under your supervision who performed activities as described in [B&P §10166.07\(a\)](#) must be added in this section. After any additions, check the boxes next to the broker-associates' names.

#### Real Estate Activities and Types of Advertisements Utilized

Check all real estate activities that apply you perform. If you do not perform any of the first three activities - arranging, making, or servicing mortgage loans - you may not be required to complete Part A of the BAR. See [B&P §10166.07](#).

Check all forms of media you used to advertise to the public for all real estate-related activities.

#### Institutional Lenders of Record

List institutional lenders of record by selecting from the drop down box. For each lender selected, check each applicable loan type, fixed and/or adjustable. You can add a lender who is not on the list by selecting "Other" and entering the lender's name.

#### Fixed & Adjustable Rate Loans

"Private Funds" indicates non-institutional lenders, i.e., private-money loans. "Institutional" indicates those financial institutions defined in [B&P §10232\(c\)\(1\)](#).

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### Loans with a Prepayment Penalty

Enter the total number of loans made, brokered, or serviced with a prepayment penalty. List the lowest minimum prepayment penalty in years from the total number of loans. Enter the highest maximum prepayment penalty in years from the total number of loans. If there were any loans that allowed for an increased monthly payment while a prepayment penalty clause was in effect, list these in the indicated section.

### Covered Loans

A covered loan is defined in [Financial Code §4970](#) (8% over Treasury or over 6% in points and fees).

### Non-Traditional Loans

A non-traditional loan as described in [B&P §10240.3](#) is a loan that allows borrowers to defer repayment of principal or interest, including, but not limited to, interest only loans where the borrower pays no loan principal for a period of time and payment option loans where one or more of the payment options may result in negative amortization. A “non-traditional loan product” does not include reverse mortgages or home equity lines of credit (other than simultaneous second lien loans).

### Foreclosures

Report the number of notices of default, trustee’s sales/judicial sales, and deeds-in-lieu of foreclosure recorded for loans you serviced.

### Compensation for Brokered Loans

Total compensation should include yield spread premiums, commissions, and rebates and should exclude compensation used to pay third-party services on behalf of a borrower.

### Bilingual Disclosures

Enter the total number of non-English disclosures provided to consumers.

## PART B

Complete Part B if you are a threshold and/or multi-lender broker. See [B&P §10232.2\(a\)](#) and [B&P §10238 \(k\)\(3\)](#).

If you are currently reporting as a threshold or multi-lender and you no longer meet the reporting requirements, submit the RE 853 and/or RE 860 to:

Bureau of Real Estate  
Mortgage Loan Activities  
P. O. Box 137000  
Sacramento, CA 95813-7000

### Data Reported

You will report the following for all mortgage loan activities performed:

- I. Loans originated as agent
- II. Loans originated as principal (funded by broker) for resale
- III. Costs and expenses paid by borrowers in loan origination
  - Costs and expenses in [B&P §10242\(a\)](#): appraisal, credit, escrow and notary fees, etc. (excludes title and recording fees)
  - Costs and expenses in [B&P §10242\(b\)](#): commission, origination, points, bonuses and other charges
- IV. Loans for broker’s use or benefit (self-dealing) per [B&P §10231.2](#)
- V. Sales of notes as agent
- VI. Resales as principal of notes purchased by broker
- VII. Sales of real property sales contracts as agent or principal
- VIII. Note and RPS contract servicing

### Article 7 Loans

For Sections I through III, the entries will be separated into the “Article 7 Loans” and “Other Loans”. Article 7 loans are those less than \$30,000 secured by first deeds of trust on dwellings and loans of less than \$20,000 secured by junior deeds of trust on dwellings. See [B&P §10245](#).

### Part B Footnotes

① ARTICLE 7 LOANS – Loans of less than \$30,000 secured by first deeds of trust on dwellings and loans of less

than \$20,000 secured by junior deeds of trust on dwellings.

② MULTIPLE LENDER LOAN (FRACTIONALIZED) – A loan funded through the sale of or offer to sell a series of notes secured directly by an interest in the same real property, or the sale of undivided interests in a note secured directly by real property equivalent to a series transaction.

③ LOAN TO REFINANCE – A loan funded within 90 days of the maturity date of an existing obligation of the borrower in which 75 percent or more of the proceeds made available to the borrower are applied to pay off the existing obligation.

④ AFFILIATE – Any entity in which an individual reporting broker or an officer, director, or shareholder of a corporate reporting broker has more than a nominal financial interest or from whom the reporting broker receives any form of compensation for the referral of business in connection with the reporting broker’s mortgage loan activities. Should the affiliate meet the criteria of Section 10232, a separate report must be compiled and submitted for each entity.

⑤ A purchase or loan transaction in which the broker directly or indirectly obtained the use or benefit of the funds other than for commissions, fees, costs, and expenses.

⑥ REAL PROPERTY SALE (RPS) CONTRACTS – As defined in Section 10029 of the Business and Professions Code: “Real property sales contract” as used in this part is an agreement wherein one party agrees to convey title to real property to another party upon the satisfaction of specified conditions set forth in the contract and which does not require conveyance of title within one year from the date of formation of the contract.

⑦ Fractionalized (multi-lender) loans only.

⑧ Includes payments collected on behalf of obligors.

⑨ Outstanding principal of each note on the last day of the fiscal year or the reporting period including fractionalized (multi-lender) loans.