certificate of ownership, cancel or plainly mark "paid" and return to the borrower or person making final payment, any note, chattel mortgage, assignment, or order signed by the borrower, except such as are a part of the court record in any action, or such as have been delivered to a third person for the purpose of carrying out their terms. (Stats. 1951, c. 364, p. 1153, § 24473.)

Derivation: Stats. 1939, c. 1045, p. 2893, § 17.

ADMINISTRATIVE CODE REFERENCES

Statement delivered to borrower, contents, see 10 Cal. Adm. Code 1431.

NOTES OF DECISIONS

1. In general

Requirements of law that could only apply to loans of money were not intended to apply to loans of credit and one engaged in loaning credit would not be expected to comply with them. Master Charge v. Daugherty (1954) 267 P.2d 821, 123 C.A.2d 700.

§ 24474. *Loan requirement; broker.* Each licensed broker shall:

(a) *Statement of agreement with broker.* Deliver to the borrower, or any one thereof, at the time the final negotiation or arrangement is made, a statement showing in clear and distinct terms the name, address, and license number of the broker and the lender. The statement shall show the date, amount, and terms of the agreement with such broker, and all amounts paid or to be paid to such broker and to any person other than the lender.

(b) *Delivery of statement to lender.* Deliver to the lender making the loan a copy of the statement referred to and described in subdivision (a) of this section.

(c) *Receipt for payments.* Deliver to the person making any payment to the broker to be retained by the broker, a plain and complete receipt for each payment made, at the time it is made, showing the total amount received, identifying the brokerage agreement and the loan contract upon which such payment is applied and showing the application thereof. If the payment is made by a person other than the lender, a copy of the receipt shall be delivered to the lender.

(d) *Cancellation and return of instruments and security.* When the borrower pays the loan in full, see to it that the lender fully complies with subdivision (e) of Section 24473. (Stats. 1951, c. 364, p. 1154, § 24474.)

Derivation: Stats. 1939, c. 1045, p. 2893, § 17.

ADMINISTRATIVE CODE REFERENCES

Statement delivered to borrower, contents, see 10 Cal. Adm. Code 1431.

DIVISION 10

SMALL LOANS

CHAPTER 1. DEFINITIONS

ARTICLE 1. DEFINITIONS

§ 24000. *Title of Division*

Law Review Commentaries

Small loan legislation (1960) 7 U.C.L.A. Law R. 649.

1. Validity

Small Loan Law, which is primarily to protect citizens of California from fraudulent and unconscionable conduct of those in the lending business, is matter of local concern for purpose of determining whether it violates commerce clause insofar as a lender engaged in interstate commerce is concerned. People v. Fairfax Family Fund, Inc. (1965) 47 Cal. Rptr. 812, 238 C.A. 2d 881.

2. Purpose

Small Loan Law of California is legislation designed for the public welfare. People v. Fairfax Family Fund, Inc. (1965) 47 Cal. Rptr. 812, 238 C.A. 2d 881.

3. In general

Activities of lender, licensed under Small Loan Law, § 24000 et seq., who engages in business of lending money to borrowers to enable them to purchase automobile