

LITCHFIELD FINANCIAL CORP /MA

FORM 8-K (Current report filing)

Filed 07/22/97 for the Period Ending 06/30/97

Address	430 MAIN STREET WILLIAMSTOWN, MA 01267
Telephone	4134581000
CIK	0000882515
SIC Code	6162 - Mortgage Bankers and Loan Correspondents
Fiscal Year	12/31

LITCHFIELD FINANCIAL CORP /MA

FORM 8-K (Unscheduled Material Events)

Filed 7/22/1997 For Period Ending 6/30/1997

Address	430 MAIN STREET WILLIAMSTOWN, Massachusetts 01267
Telephone	413-458-1000
CIK	0000882515
Fiscal Year	12/31

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 Date of Report (date of earliest event reported) July 22, 1997

Litchfield Financial Corporation

(Exact name of registrant as specified in its charter)

Massachusetts	0-19822	04-3023928
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(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer Identification No.)
789 Main Road, Stamford, VT		05352
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(Address of principal executive offices)		(Zip Code)

Registrant's telephone number, including area code (802)694-1200

(Former name or former address, if changed since last report)

Item 5. Other Events

NEWS RELEASE

NASDAQ Symbol - LTCH

FOR IMMEDIATE RELEASE

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LITCHFIELD FINANCIAL CORPORATION ANNOUNCES RECORD SECOND QUARTER EARNINGS.

Stamford, Vermont (July 22, 1997) ... Litchfield Financial Corporation (NASDAQ : LTCH) announced today that earnings per share for the second quarter of 1997 increased 19% to \$0.32 from \$0.27 in the second quarter of 1996. Second quarter net income increased 20% to \$1,880,000 from \$1,564,000 in the second quarter of 1996. Revenues for the second quarter of 1997 were \$7.7 million, up 26% from \$6.1 million in the second quarter of 1996.

Earnings per share for the six months ended June 30, 1997 increased 27% to \$0.52 from \$0.41 for the first half of 1996. Net income for the first six months of 1997 increased 28% to \$3,025,000 from \$2,362,000 in the 1996 period. Revenues for the six months ended June 30, 1997 were \$14.1 million, up 31% from \$10.8 million in the six months ended June 30, 1996.

Randy Stratton, President and CEO of Litchfield commented, "Our goal is to deliver attractive earnings growth on a consistent basis. We believe our success can be attributed to the strength of our origination network and underwriting standards, as well as strict expense control. In addition, approximately 70% of our revenues come from interest and servicing income which provide a significant base of stable, recurring revenues."

Litchfield recently announced that its second quarter originations increased 45% to \$47.2 million from \$32.6 million in the second quarter of 1996. Litchfield's originations for the six months ended June 30, 1997 increased 41% to \$83.3 million from \$59.0 million for the six months ended June 30, 1996.

Loan sales for the second quarter of 1997 were \$27.4 million. Approximately \$12.1 million were sold through Litchfield's existing land and timeshare commercial paper facilities and \$15.3 million of dealer hypothecation loans were sold in a private placement.

Mr. Stratton added, "We continue to have strong demand for our land and VOI loans. Our improved bank and loan sale facilities will enable us to further expand our marketing by offering more attractive terms to certain customers. In addition, we have had good success in related niches of lending such as construction and receivables finance."

Litchfield Financial Corporation is a specialty finance company which provides financing for the purchase of rural and vacation properties, financing of vacation ownership interests (popularly known as timeshare interests), loans to rural land dealers and resort developers secured by consumer receivables or real estate, and other secured loans.

Litchfield is listed on the NASDAQ Stock Market under the symbol LTCH.

LITCHFIELD FINANCIAL CORPORATION SECOND QUARTER RESULTS
CONSOLIDATED STATEMENTS OF INCOME (UNAUDITED)
(All numbers in 000's except per share data and number of shares)

	Three months ended June 30,		Six months ended June 30,	
	1997	1996	1997	1996
Revenues :				
Interest income	\$4,783	\$3,348	\$ 9,329	\$ 6,640
Gain on sale of loans	2,563	2,474	4,067	3,354
Servicing and other income	345	279	702	757
	-----	-----	-----	-----
	7,691	6,101	14,098	10,751
	-----	-----	-----	-----
Expenses :				
Interest expense	2,648	1,768	5,042	3,297
Salaries and employee benefits	833	645	1,646	1,382
Other operating expenses	853	618	1,756	1,282
Provision for loan losses	300	529	735	954
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	4,634	3,560	9,179	6,915
	-----	-----	-----	-----
Income before income taxes	3,057	2,541	4,919	3,836
Provision for income taxes	1,177	977	1,894	1,474
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Net income	\$1,880	\$1,564	\$3,025	\$2,362
	=====	=====	=====	=====
Earnings per share	\$ 0.32	\$ 0.27	\$ 0.52	\$ 0.41
	=====	=====	=====	=====
Weighted average number of shares	5,917,911	5,708,191	5,861,180	5,698,866
	=====	=====	=====	=====

CONSOLIDATED CONDENSED BALANCE SHEETS

	June 30, 1997	December 31, 1996
	-----	-----
	(unaudited)	
Assets :		
Cash and cash equivalents	\$ 7,061	\$ 5,557
Restricted cash	21,364	18,923
Loans held for sale, net	20,475	12,260
Other loans, net	91,750	79,996
Retained interest in loan sales	27,759	28,912
Other assets	6,901	7,041
	-----	-----
Total assets	\$175,310	\$152,689
	=====	=====
Liabilities and Stockholder's Equity :		
Liabilities :		
Lines of credit	\$ 34,287	\$ 36,299
Term note payable	6,396	7,428
Accounts payable and accrued liabilities	3,981	3,811
Dealer/developer reserves	10,626	10,628
Deferred income taxes	6,035	5,080
Long-term notes	66,382	46,995
Stockholder's equity	47,603	42,448
	-----	-----
Total liabilities and stockholders' equity	\$175,310	\$152,689
	=====	=====

Notes to Investors

This press release may contain certain forward-looking statements which involve a number of risks and uncertainties that could cause actual results to differ materially. Specifically, comments related to originations, revenues, net income, profitability, delinquencies, defaults may be considered forward-looking and subject to a number of risks and uncertainties, including but not limited to : demand for loans, declines in real estate value, changes in prevailing interest rates, continued availability of various funding sources, economic cycles, prepayment, timing of loan sales, collection and delinquency risks, contingent repurchase obligations, dependence on senior management, competition, regulation and environmental liabilities. Refer to Form 10-K for the year ended 1996 for a complete list of factors as discussed under "Risk Factors".

End of Filing

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