



NEW MODIFICATIONS OF REGULATIONS FOR CALIFORNIA DEBT COLLECTION LICENSING ACT ISSUED

The California Department of Financial Protection and Innovation (“DFPI”) released its second set of proposed modifications to the implementing regulations for California’s Debt Collection Licensing Act (“DCLA”) in an ongoing comment process. This round of proposed modifications makes a number of revisions, including the following:

- The definition of “debt collector” now refers to the statutory definition in the DCLA with no differences.
- The definition for “branch office” now specifies that the branch office must be held out to the public as a business location
- Provides guidance on certain activities sufficient to make a location a “branch office”

This set of proposed modifications makes few changes, none of which materially changes the broad scope of the DCLA. Regulated entities hoped that in the newest round the DFPI would bring the definition of a covered “debt collector” closer towards the definition used in the Fair Debt Collection Practices Act and California’s own Rosenthal Fair Debt Collection Practices Act. In those two statutes, a debt collector is covered if (i) its primary purpose is collecting debts or it (ii) regularly collects debts owed to another. However, instead of narrowing the definition, the DFPI set the regulatory definition to match exactly the DCLA. The DCLA however treats one as a “debt collector” if they broadly engage in “any act or practice in connection with the collection of consumer debt.”

The last day to submit written comments regarding these modifications is December 2, 2021. If you would like assistance in analyzing the regulations or submitting a comment, please let us know. The effective date for the DCLA is January 1, 2022, so if you believe you may need to file for a license or have questions, please do not hesitate to contact us. ☐

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