

September 30, 2024

Ms. Mary Tome
Department of Financial Protection and Innovation
2101 Arena Blvd.
Sacramento, CA 95834

SUBJECT: Comments on Proposed Rulemaking PRO 01-23

Sent via email: regulations@dfpi.ca.gov
mary.tome@dfpi.ca.gov

Dear Ms. Tome:

The California Chamber of Commerce (CalChamber) appreciates the opportunity to provide additional comments on Proposed Regulation PRO 01-23 (Proposed Regulations) regarding debt collection and annual reporting to the Department of Financial Protection and Innovation (DFPI). We remain concerned that the Proposed Regulations include information that is sensitive and kept confidential. Accordingly, we request that the Proposed Regulations be modified, as discussed in more detail below, to ensure that sensitive financial information is not made public.

We appreciate some of the changes made in the most recent draft, including clarifying that a summation of certain data will be sufficient. This change is a step in the right direction for protecting sensitive business information from disclosure.

However, the substantive concerns of our prior July 3, 2024, letter remain substantially unaddressed in the most recent draft. Specifically, we remain concerned that individual company data (containing proprietary information) would be made public under the existing draft text, and that this proprietary and confidential information would allow competitors to essentially “peek behind the curtain” into the affairs of other companies.

In order to address this concern in the proposed regulatory text, while still complying with the statutory obligations of Financial Code § 100021, we propose the following solutions: (1) allow redaction of proprietary information for published versions of the relevant reports, and (2) allow public access to these reports upon request.

Public access upon request in this manner is not novel or trivial. To the contrary, this would be similar to the productions pursuant to California’s premier open government statute, the California Public Records Act, which allows the public to access all public records upon request,¹ with redaction for proprietary information.²

To effectuate that solution, we offer the following suggested language:

- (i) For purposes of Financial Code section 100021, subdivision (b), individual annual reports shall be made available to the public for inspection upon request, and may be redacted to protect licensees’ sensitive financial information, including the values disclosed pursuant to Financial Code section 100021, subdivision (a)(1)-(5).

¹ See *California Government Code Section 6253(a)-(c)*.

² See *California Government Code Section 6254.15* (“Nothing in this Chapter shall be construed to require the disclosure of records that are any of the following: ... corporate proprietary information including trade secrets ...”)

Thank you for considering our comments on the Proposed Regulations. Please contact me if you have any questions.

Sincerely,

Robert Moutrie
Senior Policy Advocate
California Chamber of Commerce