

Highlights of 2024 Chaptered Legislation

- The legislation noted below is a compendium of many, but not necessarily all, of the chaptered bills that may affect or be of interest to licensees of the Department of Financial Protection and Innovation (DFPI). Unless otherwise noted, these bills will go into effect January 1, 2025.

If you have any questions about these bills, please contact your program contact or email ask.dfpi@dfpi.ca.gov.

The full text of these bills may be found at:

<https://leginfo.legislature.ca.gov/faces/home.xhtml>

Major Legislation

- **AB 295 (Lowenthal)**

Residential real property: foreclosure.

[AB 295, Chapter 142, Statutes of 2024](#)

(Civil Code)

AB 295 makes various technical changes within existing foreclosure provisions, including 1) prohibiting a person from contacting a property owner to claim foreclosure sale surplus funds before 90 days have passed after the trustee's deed was recorded, 2) protecting trustees from liability for good faith errors when responding to requests for payoff or reinstatement information; 3) allowing trustees to recover certain costs, and 4) clarifying that the existing successive bids prohibition applies to all eligible bidders, among other things. This bill also contains an urgency clause and takes effect immediately upon the Governor's signature.

- **AB 1511 (Santiago)**

State government: diverse, ethnic, and community media.

[AB 1511, Chapter 352, Statutes of 2024](#)

(Government Code)

AB 1511 will require any state agency or department that expends money on media, marketing, or outreach to develop a plan for increasing expenditures directed to ethnic media outlets and community media outlets serving priority populations, as defined, by July 1, 2025. These agencies and departments will

also be required to post, by September 1 each year, on their website a report on the progress of their plan.

- **AB 1934 (Grayson)**

Digital financial asset businesses.

[AB 1934, Chapter 945, Statutes of 2024](#)

(Financial Code)

AB 1934 delays the operative date of provisions related to existing licensure requirements, disclosures, consumer protections, and this bill's stablecoin requirements by one year, from July 1, 2025, to July 1, 2026. The bill also requires a licensee to maintain a monthly report that shows a stablecoin issuer has complied with stablecoin reserve requirements within the existing Digital Financial Asset Law.

- **AB 2017 (Grayson)**

Banks and credit unions: nonsufficient funds fees.

[AB 2017, Chapter 509, Statutes of 2024](#)

(Financial Code)

AB 2017 bill prohibits a bank or credit union regulated by the Department of Financial Protection and Innovation from charging a consumer a nonsufficient funds fee, when the consumer's attempt to initiate a transaction is declined instantaneously or near instantaneously by the bank or credit union due to nonsufficient funds.

- **AB 2062 (Grayson)**

Credit unions.

[AB 2062, Chapter 305, Statutes of 2024](#)

(Financial Code)

AB 2062 makes changes to existing provisions of the California Credit Union Law related to equity and savings capital definitions, membership applications, delegation of duties, investment in assets, purchasing assets, and virtual member meetings. Among other things, the bill would 1) allow credit union directors or their delegates to use automated systems to approve new membership applications, 2) allow credit unions to delegate certain duties, such as determining dividend rates, to an asset-liability management committee, and 3) allow remote credit union meetings.

- **AB 2067 (Dixon)**

Financial institutions: service of process.

[AB 2067, Chapter 222, Statutes of 2024](#)

(Civil Procedure)

AB 2067 will allow financial institutions to designate a third-party agent as a central location for service of legal process.

- **AB 2422 (Grayson)**

Department of Financial Protection and Innovation: online resources: financial abuse: domestic violence victims.

[AB 2422, Chapter 650, Statutes of 2024](#)

(Financial Code)

AB 2422 will require the Department of Financial Protection and Innovation (Department) to, on or before January 1, 2027, provide a public online resource relating to financial abuse for victims of domestic violence.

- **AB 2424 (Schiavo)**

Mortgages: foreclosure.

[AB 2424, Chapter 311, Statutes of 2024](#)

(Civil Code)

AB 2424 amends the existing Homeowner Bill of Rights by requiring a mortgage servicer to include within existing borrower notifications that a third party can request copies of a notice of default or notice of sale to help the borrower avoid foreclosure. The bill also amends the existing foreclosure bidding process by imposing new timelines on parts of the bidding process. The bill also makes several changes related to market value and liability provisions.

- **AB 3100 (Low)**

Assumption of mortgage loans: dissolution of marriage.

[AB 3100, Chapter 431, Statutes of 2024](#)

(Civil Code)

AB 3100, beginning January 1, 2027, will require a conventional home mortgage loan (i.e., one not insured or guaranteed by the government) on certain residential real properties containing four or fewer dwelling units and with multiple borrowers to include language allowing any of the existing borrowers to assume, in connection with a decree of dissolution of marriage, a legal separation agreement, or an incidental property settlement, and as long as the lender determines that they qualify for the loan, another borrower's portion of the loan.

- **AB 3108 (Jones-Sawyer)**

Business: mortgage fraud.

[AB 3108, Chapter 517, Statutes of 2024](#)

(Financial Code, Penal Code)

AB 3108 will expand the kinds of activities that constitute mortgage fraud. The bill will prohibit a mortgage broker or loan originator from knowingly instructing a borrower to sign a loan document reflecting the terms of a bridge loan, with knowledge that the loan proceeds will not be used to acquire or construct a new dwelling.

- **AB 3148 (Chen)**

Deferred deposit transactions: assessments.

[AB 3148, Chapter 252, Statutes of 2024](#)

(Financial Code)

AB 3148 will change the cost allocation methodology by which California Deferred Deposit Transaction (CDDTL) Licensees are annually assessed by the Department of Financial Protection and Innovation (Department). This bill, instead of requiring the assessment to be based on the number of locations, will require an assessment based on the pro rata volume of CDDTL transactions made by a licensee.

- **SB 919 (Umberg)**

Franchise Investment Law: franchise brokers.

[SB 919, Chapter 518, Statutes of 2024](#)

(Corporations Code)

SB 919 will require, beginning on the later of: July 1, 2026 or the first anniversary of the date on which the appropriation is made, third-party franchise sellers who do business in California to register with the Department of Financial Protection and Innovation (Department) and to provide specific disclosures before engaging with a prospective franchisee about a potential franchise opportunity.

- **SB 924 (Bradford)**

Tenancy: credit reporting: lower income households.

[SB 924, Chapter 519, Statutes of 2024](#)

(Civil Code)

SB 924 removes the sunset date of July 1, 2025, requiring landlords to permanently offer certain tenants the option of having their rental payments reported to at least one consumer reporting agency through a written election of rent reporting. The bill also strikes all provisions that would have required the Department of Financial Protection and Innovation (DFPI), upon appropriation

from the Legislature, to select an independent evaluator to evaluate rental reporting and create an annual report for the Department to post online.

- **SB 985 (Ochoa Bogh)**

Check Sellers, Bill Payers and Proraters Law: exemption: nonprofit community service organizations.

[SB 985, Chapter 178, Statutes of 2024](#)

(Financial Code)

SB 985 increases compensation caps for nonprofit community service organizations, explicitly allow these organizations to provide counseling on consumer credit problems and family via in-person, telephone, and virtual communication, and increase the existing surety bond requirement from \$25,000 to \$100,000.

- **SB 1061 (Limón)**

Consumer debt: medical debt.

[SB 1061, Chapter 520, Statutes of 2024](#)

(Civil Code, Health and Safety Code, Insurance Code)

SB 1061 will prohibit a consumer credit reporting agency (CRA) from making a consumer credit report containing information about medical debt, would prohibit a person who uses a consumer credit report in connection with a credit transaction from using medical debt listed on the report as a negative factor when making a credit decision, would prohibit a person from reporting medical debt to a CRA and would make a medical debt void and unenforceable if a person knowingly violates this provision. This bill will also require specific language to be included in a medical debt contract. Finally, SB 1061 requires a hospital to maintain all records relating to money owed to the hospital by a patient or a patient's guarantor for five years.

- **SB 1075 (Bradford)**

Credit unions: overdraft and nonsufficient funds fees.

[SB 1075, Chapter 521, Statutes of 2024](#)

(Financial Code)

SB 1075 will prohibit a credit union, beginning on January 1, 2026, from charging more than \$14 for an overdraft fee. Additionally, this bill will require a credit union to provide a notice to a member the same business day that the account is overdrawn.

- **SB 1146 (Wilk)**

Mortgages.

[SB 1146, Chapter 601, Statutes of 2024](#)
(Civil Code)

SB 1146 exempts from certain Homeowner Bill of Rights requirements a person or entity that makes and services seven or fewer loans for the purchase of residential real property in a calendar year. In addition, the bill 1) automatically postpones trustee sales for seven business days at the same time and location in the event of an emergency interference, 2) does not require trustees to make a public declaration if the sale is postponed because of an emergency interference, 3) allows trustees to require bidders to make these checks payable to the trustee, 4) requires bidders to send their bid by certified mail, and 4) delete an obsolete provision. Lastly, this bill exempts forbearance, extension, or loan modification from existing usury limitations.

- **SB 1286 (Min)**

Rosenthal Fair Debt Collection Practices Act: covered debt: commercial debts.
[SB 1286, Chapter 522, Statutes of 2024](#)
(Civil Code, Financial Code)

SB 1286 will apply existing requirements and prohibitions for debt collectors collecting consumer debt to debt collectors collecting small business debts. This bill will also revise the definition of “delinquent debt” to mean a covered debt, other than a mortgage debt, and will apply these provisions to all delinquent covered commercial debt entered into, sold or assigned on or after July 1, 2025.

- **SB 1521 (Committee on Banking and Finance)**

Commercial financing transactions: fees.
[SB 1521, Chapter 194, Statutes of 2024](#)
(Civil Code)

SB 1521 creates two exemptions to existing commercial financing fee bans. Specifically, the bill exempts certain fees if either 1) the commercial financing transaction is an asset-based loan or factoring, and the fee is intended to compensate the covered entity for actions taken to validate the collateral with the intended purpose of maximizing the amount of financing provided to the small business or small business owner under the financing contract pursuant to which the fee is charged, or 2) the fee is expressed as a dollar amount or a percentage of an identifiable base, and the fee is deemed a finance charge.

Minor Legislation

- **AB 1854 (Schiavo)**

Service member protections.
[AB 1854, Chapter 144, Statutes of 2024](#)

(Military and Veterans Code)

AB 1854 will require a request for deferral on certain obligations by a member of the United States Army Reserve or the National Guard to be submitted not later than 90 days following the period of active duty on which the deferral is based.

- **AB 1900 (Weber)**

Consumer refunds: nondisclosure agreements.

[AB 1900, Chapter 89, Statutes of 2024](#)

(Civil Code)

AB 1900 makes a provision in a contract or agreement that prohibits a consumer from publishing or making statements about the business as a condition of receiving a refund or other consideration or thing of value contrary to public policy and void and unenforceable.

- **AB 2426 (Irwin)**

Consumer protection: false advertising: digital goods.

[AB 2426, Chapter 513, Statutes of 2024](#)

(Business and Professions Code)

AB 2426 will, subject to specified exceptions, prohibit a seller of a digital good from advertising or offering for sale a digital good to a purchaser with the terms “buy,” “purchase,” or any other term which a reasonable person would understand to confer an unrestricted ownership interest in the digital good, or alongside an option for a time-limited rental, unless the seller receives at the time of each transaction an affirmative acknowledgment from the purchaser, or the seller provides to the consumer before executing each transaction a clear and conspicuous statement.