

Highlights of 2025 Chaptered Legislation

The legislation noted below is a compendium of many, but not necessarily all, 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, 2026.

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 102 (Assembly Budget Bill)**

Budget Act of 2025

[AB 102, Chapter 5, Statutes of 2025](#)

(State Budget)

AB 102 includes, among other provisions, legislative reporting requirements on the effects of DFPI fee increases pursuant to [AB 137 \(Chapter 20, Statutes of 2025\)](#).

- **AB 137 (Assembly Budget Committee)**

State Government Trailer Bill: DFPI Programmatic Fee Changes

[AB 137, Chapter 20, Statutes of 2025](#)

(Civil Code, Corporations Code, Financial Code, Government Code, Public Resources Code, & Welfare and Institutions Code)

AB 137 authorizes incremental exam, fee, and assessment changes for various programs under the jurisdiction of the DFPI, among other provisions.

- **AB 130 (Assembly Budget Committee)**

Housing Budget Trailer Bill: Subordinate mortgages

[AB 130 \(Chapter 22, Statutes of 2025\)](#)

(Civil Code)

This bill makes it unlawful to attempt to collect on a subordinate mortgage where there has been no communication with the borrower for three (3) years or more, and

clarifies what conduct constitutes an unlawful practice in connection with a subordinate mortgage, among other provisions.

- **AB 238 (Harabedian)**

Mortgage forbearance: state of emergency: wildfire

[AB 238, Chapter 128, Statutes of 2025](#)

(Civil Code)

AB 238 authorizes a borrower to request forbearance on their residential mortgage loan if they are experiencing financial hardship that prevents them from making timely payments on a mortgage loan due to the 2025 Los Angeles wildfires. The bill will require a mortgage servicer to offer mortgage payment forbearance for a period of up to an initial 90 days, which will then be required to be extended at the request of the borrower in 90-day increments, up to a maximum forbearance period of 12 months. This bill will require the borrower to affirm that they are experiencing financial hardship due to the wildfire disaster in order for their forbearance request to be considered. This bill will also prohibit a mortgage servicer from assessing any late fees to the borrower's account or charging a default rate of interest during the forbearance period, among other provisions. This bill takes effect immediately upon the Governor's signature, and was signed on September 22, 2025.

- **AB 493 (Harabedian)**

Mortgages: hazard insurance proceeds

[AB 493, Chapter 103, Statutes of 2025](#)

(Civil Code & Financial Code)

AB 493 requires that lenders pay two (2) percent interest on homeowners' insurance proceeds that are held in escrow following property damage or loss. AB 493 contains an urgency clause, which means that the provisions of the bill, including interest accrual, take effect immediately upon signature. This bill was signed on August 29, 2025.

- **AB 665 (Chen)**

Commissioner of Financial Protection and Innovation: report: Office of the Ombuds

[AB 493, Chapter 162, Statutes of 2025](#)

(Financial Code)

AB 665 requires that the Department of Financial Protection and Innovation (DFPI) include in its annual California Consumer Financial Protection Law (CCFPL) report to the Legislature information about the Department's Office of the Ombuds.

- **AB 681 (Elhawary)**

California DREAM Loan Program: limits

[AB 681, Chapter 702, Statutes of 2025](#)

(Education Code)

The California DREAM Loan Program allows students at participating University of California or California State University campuses to receive loans called DREAM loans, if eligible. The existing law caps borrowing at \$4,000 per academic year and a total of \$40,000. Undergraduates are limited to \$20,000, and graduates to another \$20,000. AB 681 changes these limits: undergraduates can still borrow up to \$4,000 yearly, but graduate students can borrow up to \$20,500 annually. The total borrowing cap for graduate students rises to \$118,500, though the undergraduate cap remains \$20,000, allowing a combined limit of \$138,500 for students who receive loans in both programs.

- **AB 771 (Macedo)**

Financing statements: mortgages

[AB 771, Chapter 43, Statutes of 2025](#)

(Commercial Code)

The Uniform Commercial Code-Secured Transactions (UCC) requires a financing statement to include the debtor's name, using their name from an unexpired driver's license or identification card if applicable. Current law states that a mortgage record is effective as a financing statement when certain conditions, including proper debtor naming, are met. AB 771 modifies this requirement, allowing a mortgage record to effectively name an individual debtor using either their full individual name or their surname and first personal name, regardless of having an unexpired driver's license or ID card.

- **AB 1029 (Valencia)**

Statements of financial interest: digital financial assets

[AB 1029, Chapter 85, Statutes of 2025](#)

(Government Code)

The Political Reform Act of 1974 mandates that public officials periodically disclose their economic interests, including investments in real property, income, and securities with a value of at least \$2,000. The law also requires public agencies to create conflict of interest codes for designated employees. Existing laws define a digital financial asset as a digital value medium not classified as legal tender.

Beginning January 1, 2027, AB 1029 expands the definition of "investment" under the Act to include digital financial assets, requiring public officials to disclose these as well. The bill also mandates that agency conflict of interest codes include digital assets. Violating the Political Reform Act is a misdemeanor with criminal penalties, and this bill adds more assets to disclosure requirements, therefore expanding the scope of potential crimes. The bill stipulates that no reimbursement is required for the additional mandates on local agencies, asserting that it aligns with the Act's objectives. This bill is operative on January 1, 2027.

- **AB 1327 (Aguiar-Curry)**

Home improvement and home solicitation: right to cancel contracts: notice
[AB 1327, Chapter 348, Statutes of 2025](#)
(Business Professions Code & Civil Code)

AB 1327 requires that a "Notice of Cancellation" for certain home improvements, home solicitations, and seminar sales contracts to also be delivered to the lender via email. The contract itself would also be required to include an email address to where a completed "Notice of Cancellation" can be sent, and the phone number of the contractor or contractor's representative to assist the buyer with locating and filling out the notice of cancellation. Lastly, this bill will authorize a buyer to file a complaint with the Contractors State Licensing Board (CSLB) if a notice of cancellation is not included or attached to a home improvement contract.

- **SB 362 (Grayson)**

Commercial financing: disclosures
[SB 362, Chapter 352, Statutes of 2025](#)
(Financial Code)

SB 362 strengthens requirements related to pricing disclosures for commercial financing transactions and will clarify Department of Financial Protection and Innovation's enforcement authority for violations of those requirements.

- **SB 470 (Laird)**

Bagley-Keene Open Meeting Act: teleconferencing

[SB 470, Chapter 222, Statutes of 2025](#)

(Government Code)

This bill would extend the January 1, 2026 repeal date on temporary teleconferencing authorizations in the Bagley Keen Open Meetings Act, which, among other provisions, provide a temporary statutory extension for state bodies in California subject to Bagley-Keene requirements to hold public meetings through teleconferencing, such as phone or video calls, instead of in-person board meetings. SB 470 extends these authorizations until January 1, 2030.

- **SB 610 (Pérez)**

Disaster assistance: tenants, mobilehome parks, and mortgages

[SB 610, Chapter 547, Statutes of 2025](#)

(Financial Code & Government Code)

SB 610 requires, among other things, that the Commissioner of the Department of Financial Protection and Innovation, upon the declaration of a state of emergency due to wildfire, coordinates with manufactured home mortgage lenders and servicers operating in the state under their jurisdiction for implementing mortgage forbearance, foreclosure prevention, and loss mitigation programs for borrowers financially affected by a wildfire emergency, including mobile home owners.

- **SB 766 (Allen)**

California Combating Auto Retail Scams (CARS) Act

[SB 766, Chapter 354, Statutes 354](#)

(Civil Code, Revenue and Taxation Code, and Vehicle Code)

Existing law requires sellers to disclose certain information in motor vehicle conditional sale contracts and mandates dealers offer a contract cancellation option for specific used vehicles. This bill, titled the California Combating Auto Retail Scams (CARS) Act, defines "vehicle" and "used vehicle" for legal purposes and outlines violations for misrepresentations by dealers about vehicle sales, financing, or leasing terms. It mandates clear disclosures of total prices and additions and limits charges for unnecessary products. The bill repeals the existing contract cancellation requirements, replacing them with a mandatory 3-day

cancellation right for used vehicle purchases or leases. Dealers must maintain compliance records for two years. The provisions become effective on October 1, 2026, along with related updates to existing laws.

- **SB 822 (Becker)**

Unclaimed property: digital financial assets

[SB 822, Chapter 660, Statutes of 2025](#)

(Code of Civil Procedure)

SB 822 amends the Unclaimed Property Law (UPL) to provide when and how digital assets, as defined, escheat to the state. This bill defines “digital financial asset” to have the same meaning as a digital financial asset under the Digital Financial Assets Law. This bill will also authorize the Controller to select one or more licensed custodians for the management and safekeeping of digital financial assets that have escheated to the State. Among other provisions, this bill will specify that with regard to digital financial assets, an apparent owner’s last known address need not be a complete mailing address if the address is sufficient to identify it is within the state. Lastly, this bill will authorize the Controller to convert digital financial assets to fiat currency.

- **SB 825 (Limón)**

Consumers: financial protection

[SB 825, Chapter 355, Statutes of 2025](#)

(Financial Code)

SB 825 clarifies the authority provided to the Department of Financial Protection and Innovation to take an enforcement action for an unlawful, unfair, deceptive, or abusive act or practice (UUDAAP) conducted by licensees of the Department.

Other Legislation

- **AB 91 (Harabedian)**

State and local agencies: demographic data

[AB 91, Chapter 357, Statutes of 2025](#)

(Government Code)

AB 91 requires state and local agencies that collect demographic data as to the ancestry or ethnic origin of Californians to use separate collection categories and

tabulations for major Middle Eastern or North African groups, as specified, and, with certain exceptions, to include that data in every demographic report published on or after January 1, 2029, and to make the aggregated data available to the public.

- **AB 370 (Carrillo)**

California Public Records Act: cyberattacks

[AB 370, Chapter 34, Statutes of 2025](#)

(Government Code)

AB 370 expands the definition of “unusual circumstances” as defined in the California Public Records Act (PRA) to include cyberattacks that compromise the ability of an agency to access its electronic servers or systems to search for and obtain a record in response to a PRA request. Existing law requires an agency to notify the person requesting copies of disclosable public records of their response and reasoning within 10 days. Existing law authorizes that time limit to be extended by no more than 14 days under unusual circumstances. By expanding the definition of unusual circumstances, this bill would add an additional basis for issuing a 14-day extension due to a cyberattack.

- **AB 979 (Irwin)**

California Cybersecurity Integration Center: artificial intelligence

[AB 979, Chapter 285, Statutes of 2025](#)

(Government Code)

The Office of Emergency Services is required by law to manage the California Cybersecurity Integration Center, which aims to minimize cyber incidents affecting California's economy, infrastructure, and computer networks. The center coordinates cybersecurity efforts and information sharing with local, state, and federal agencies. AB 979 mandates the center to develop a California AI Cybersecurity Collaboration Playbook by January 1, 2027, in collaboration with other state agencies. This playbook will enhance information sharing and defend against new threats in cyber and artificial intelligence sectors. It will incorporate federal standards and industry best practices. Information related to cyber threats shared through this playbook will be kept confidential, with exceptions only as specified. The bill also includes legislative findings justifying restrictions on public access to certain cybersecurity information, aligning with constitutional requirements.

- **AB 1507 (Committee on Banking and Finance)**

Financial institutions

[AB 1507, Chapter 71, Statutes of 2025](#)

(Financial Code)

AB 1507 updates the mailing address for the Department of Financial Protection and Innovation (Department) to which consumers may direct their complaints regarding money transmissions activity, as required to be included in the notice posted at each branch office. This bill will also remove an outdated provision and requirement for the Commissioner to report on the implementation of the California Deferred Deposit Transaction Law (CDDTL) to the Governor and the Legislature on December 1, 2007.