



**IN REPLY REFER TO FILE
NO: PRO 07-24**

January 12, 2026

**SECOND INVITATION FOR COMMENTS ON PROPOSED RULEMAKING
UNDER THE CALIFORNIA CONSUMER FINANCIAL PROTECTION LAW
REGARDING REGISTRATION AND REPORTING OF COVERED PERSONS
PRO 07-24**

BACKGROUND

In 2020, the Legislature passed Assembly Bill 1864 (Limón), which created the California Consumer Financial Protection Law (CCFPL) under division 24 of the Financial Code (Fin. Code, § 90000 et seq.).

In 2024, the Department finalized its inaugural registration and reporting regulations under the CCFPL. The rulemaking, which became effective on February 15, 2025, created registration and reporting requirements for providers of four previously unregistered financial products and services in California: (1) income-based advances, (2) private postsecondary education financing, (3) debt settlement services, and (4) student debt relief services.

On October 28, 2024, the Department issued an invitation for comments on requiring registration and reporting from additional categories of covered persons under the CCFPL. The Department sought comments from interested parties by December 12, 2024, and received four comments, which are available on the Department's [website](#).

INVITATION FOR COMMENTS

The Department continues to consider issuing rules requiring registration and reporting from additional categories of covered persons. The Department is now considering rules that apply to persons that engage in offering or providing to California residents the consumer financial service described in Financial Code section 90005, subdivision (k)(9):

(9) Collecting, analyzing, maintaining, or providing consumer report information or other account information, including information relating to the credit history of consumers, used or expected to be used in connection with any decision regarding the offering or provision of a consumer financial product or service, except to the extent that:

(A) A person does any of the following:

(i) Collects, analyzes, or maintains information that relates solely to the transactions between a consumer and that person.

- (ii) Provides information to an affiliate of the person, as described in subdivision (a).
- (iii) Provides information that is used or expected to be used solely in any decision regarding the offering or provision of a product or service that is not a consumer financial product or service.

(B) The information described in clause (i) of subparagraph (A) is not used by the person or affiliate in connection with any decision regarding the offering or provision of a consumer financial product or service to the consumer, other than credit described in subparagraph (A) of paragraph (1) of subdivision (e) of Section 90006.

In accordance with Government Code sections 11346, subdivision (b), and 11346.45, before engaging in formal rulemaking, the Department invites interested parties, including those who would be subject to the proposed regulations, to comment on the following topics related to registration, reporting, and other requirements for providers of consumer-reporting services. This invitation for comments is intended to gather information and promote transparency and engagement among stakeholders. The questions or topics addressed below are not intended to indicate or imply a decision, position, or support for or opposition to any viewpoint.

TOPICS

Consumer and market concerns

1. What acts or practices by consumer-reporting providers provide benefits to consumers?
2. What acts or practices by consumer-reporting providers cause harm to consumers?
3. What concerns do consumer-reporting providers present to consumers or the financial marketplace that warrant prioritizing the supervision of this industry over others?
4. Do any market segments, such as specialty consumer reporting, require particular attention? If so, why?
5. To the extent the CCFPL covers other participants in the consumer-data industry, such as data brokers, aggregators, or other intermediaries, what concerns do these providers present to consumers or the financial marketplace?
6. How might rulemaking by the Department address the consumer and market concerns identified above?

Definitions

7. How does the definition in Financial Code section 90005, subdivision (k)(9), compare with existing definitions in state or federal law, including the federal Consumer Financial Protection Act of 2010, the federal Fair Credit Reporting Act (FCRA), and the Consumer Credit Reporting Agencies Act (CCRAA) (Civ. Code, § 1785.1 et seq.)? How do any

similarities or differences affect the Department's ability to achieve the purposes of the CCFPL?¹ How can regulations under the CCFPL address any gaps or ambiguities in the law?

8. Should the Department define any terms relevant to consumer reporting that are not currently defined in the CCFPL? If so, why and how?
9. Should the Department define "consumer report," "consumer report information," or "account information" in Financial Code section 90005, subdivision (k)(9)? If so, why and how?
10. Should the Department clarify what "information" is described in Financial Code section 90005, subdivision (k)(9)(A)(ii)? If so, why and how?
11. Should the Department clarify the definition of "consumer financial product or service" in Financial Code section 90005, subdivision (e), as applied in the consumer-reporting context—in particular, the phrase "provided for use by consumers"?
12. Should the Department clarify the definition of "covered person" in Financial Code section 90005, subdivision (f), as applied in the consumer-reporting context—in particular, the phrase "providing a consumer financial product or service to a resident of this state"?
13. Financial Code sections 90002 and 90005, subdivision (k)(9)(A) and (k)(9)(B), provide exemptions or exclusions from the CCFPL. Should the Department clarify their scope or application to consumer-reporting companies, data brokers, or other participants in the consumer-data industry? If so, why and how?
14. Certain data brokers, aggregators, and other participants in the consumer-data industry appear to provide the service described in Financial Code section 90005, subdivision (k)(9), and would be subject to registration. Should the Department clarify the application of the CCFPL to these entities in light of any of the following provisions?
 - a. The Data Broker Registration law, which is administered by the California Privacy Protection Agency (CPPA) and under which "data broker" means "a business that knowingly collects and sells to third parties the personal information of a consumer with whom the business does not have a direct relationship" but does not include an entity to the extent it is covered by the FCRA. (Civ. Code, § 1798.99.80, subd. (c); see Cal. Code Regs., tit. 11, § 7601, subd. (a).)
 - b. Financial Code section 90009, subdivision (a)(2)(B), which precludes the Department from requiring the registration of a "covered person who is licensed or registered by another agency unless the covered person is offering or providing a financial product or service that is not regulated by the agency licensing or registering the covered person."

¹ For example, promote consumer welfare, fair competition, and wealth creation; improve accountability and transparency in California's financial marketplace; and protect California consumers from harm. (Fin. Code, § 90000, subds. (a)(4), (b).)

- c. Financial Code section 90002, subdivision (a), which exempts from the CCFPL “a licensee . . . of any state agency other than the Department of Financial Protection and Innovation to the extent that licensee . . . is acting under the authority of the other state agency’s license.”
- d. If you believe that data brokers, aggregators, or other participants in the consumer-data industry are not covered by the CCFPL or would not be subject to CCFPL registration, explain why.

15. Are resellers—entities that assemble and merge consumer information from other consumer-reporting companies to furnish such information to third parties—covered persons under the CCFPL? Should they be? Why or why not?

16. Are furnishers—entities that furnish information relating to consumers to one or more consumer-reporting companies for inclusion in a consumer report—covered persons under the CCFPL? Should they be? Why or why not?

Registration, reporting, and oversight requirements

- 17. Should the Department consider any changes to the current registration rules (Cal. Code Regs., tit. 10, §§ 1000-1053), such as application requirements and processes or the annual registration fee?
- 18. Should the Department clarify what is gross income from consumer-reporting services? (See Cal. Code Regs., tit. 10, §§ 1022, subd. (f), 1040, subd. (a).)
- 19. Should the Department require consumer-reporting providers to maintain certain records? (Fin. Code, § 90009, subd. (b).) If so, what records and why?
- 20. Should consumer-reporting providers be subject to bonding or other appropriate financial requirements to ensure that they can perform their obligations to consumers? If so, what is an appropriate bonding or financial requirement and why is it appropriate? (Fin. Code, § 90009, subd. (b).) Should the Department allow waivers, and, if so, what should the criteria be?
- 21. Should the Department require registrants to provide the following information in annual or special reports? (Fin. Code, § 90009, subd. (f)(2).) Why or why not? What other information should the Department collect and why? What would be the economic impact on registrants of complying with such reporting requirements?

Market scope and operations

- a. Identifying and contact information, including name, any fictitious business names, entity type, mailing address, phone number, email address, website address, and designated contact person.
- b. Size of business, including the proportion of California business compared to total business.

- c. Number of consumer files maintained, total and specific to California residents.
- d. Number of disclosures made to consumers, total and specific to California residents, by sub-period.
- e. Information on use of alternative data, including percentage of revenue or business volume.

Consumer disputes and complaints

- f. Number of disputes received or resolved, by sub-period and dispute type (e.g., inaccurate information, outdated negative information, improper use, identity theft or fraud).
- g. Mean and median number of days to close disputes after investigation, by sub-period and dispute type.
- h. Number of disputes closed after investigation, by sub-period and result (e.g., determined to be frivolous or irrelevant, change made to consumer's file).
- i. Number of disputes concerning inaccurate information, by sub-period and information type (e.g., identifying information, credit account, account status, payment history, credit inquiries, bankruptcy).
- j. Number of disputes received or resolved regarding results of previous investigations, by sub-period and result.
- k. Number of previously deleted items of information that were reinserted into consumer reports, by sub-period and information type (e.g., identifying information, credit account, account status, payment history, credit inquiries, bankruptcy).
- l. Number of complaints received or resolved, by sub-period, source (e.g., consumer, federal regulatory agency, state attorney general, state regulatory agency), complaint type, and result.
- m. Mean and median number of days to close complaints, by period and complaint type.

Miscellaneous

- n. Information regarding data breaches, such as frequency, size, severity, or response time.

Economic impact

Provide the following information regarding economic impact. To the extent possible, include supporting data, research, or quantitative analysis.

- 22. The number of nonexempt businesses covered by Financial Code section 90005, subdivision (k)(9).
- 23. Whether this regulatory action would have significant, statewide adverse economic impact

directly affecting business, including the ability of California businesses to compete with businesses in other states. If yes, describe any reasonable alternatives that would lessen adverse economic impact on business and be equally effective in achieving the purposes of the regulation.

24. Whether this regulatory action would create or eliminate jobs within California.
25. Whether this regulatory action would create new businesses or eliminate existing businesses within California.
26. Whether this regulatory action would affect the expansion of businesses currently doing business within the state.

Reasonable alternatives

27. Should a financial product or service other than consumer reporting be the subject of this rulemaking? If so, which product or service and why?
28. Describe any reasonable alternatives to the proposed regulatory action. Reasonable alternatives include alternatives that are proposed as less burdensome and equally effective in achieving the purposes of the regulation in a manner that ensures full compliance with the authorizing statute or other law being made specific by the proposed regulation.

COMMENT PERIOD

Written comments must be received no later than February 26, 2026.

INSTRUCTIONS FOR SUBMITTING COMMENTS

You may submit comments, identified by “PRO 07-24,” as follows:

- By electronic mail to regulations@dfpi.ca.gov. Include “PRO 07-24” in the subject line. Comments submitted as attachments in Microsoft Word format (docx) are preferred.
- By postal mail to Diana Pha, Regulations Coordinator, Legal Division, Department of Financial Protection and Innovation, 651 Bannon Street, Suite 300, Sacramento, California 95811.
- Note the number of the topic addressed by each response in your comment. All comments, including attachments and supporting materials, will become part of the public record and subject to public disclosure. Avoid including sensitive personal information.

CONTACT PERSONS

Questions may be directed to Diana Pha, Regulations Coordinator, at regulations@dfpi.ca.gov, (916) 208-8326, or 651 Bannon Street, Suite 300, Sacramento, California 95811.

The backup contact persons for any inquiries are Samuel J. Park, Senior Counsel, at Samuel.Park@dfpi.ca.gov, (213) 823-3419, or 320 West 4th Street, Suite 750, Los Angeles, California 90013 and Bosco Li, Counsel, at Bosco.Li@dfpi.ca.gov, (916) 586-4131, or 651 Bannon Street, Suite 300, Sacramento, California 95811.

Dated: January 12, 2026