



State of California  
Business, Consumer Services, and Housing Agency  
**DEPARTMENT OF BUSINESS OVERSIGHT**  
*Ensuring a Fair and Secure Financial Services Marketplace for all Californians*

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**Gavin Newsom**  
Governor

**Manuel P. Alvarez**  
Commissioner of Business Oversight

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**DATE: April 3, 2020**

**Guidance to Finance Lenders, PACE Administrators,  
Deferred Deposit Originators, and Premium Finance  
Companies**

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On March 4, 2020, Governor Gavin Newsom proclaimed a state of emergency as a result of the COVID-19 outbreak. On March 16, 2020, the Governor issued Executive Order N-28-20 directing the Department of Business Oversight (Department) to work with financial institutions to mitigate the economic impacts of COVID-19.

In furtherance of the executive order, the Commissioner of Business Oversight issues this guidance to deferred deposit originators licensed under the California Deferred Deposit Transaction Law, finance lenders and Property Assessed Clean Energy (PACE) program administrators licensed under the California Financing Law, and premium finance companies licensed under the Industrial Loan Law:

1. The Department requests licensees to work with their customers by offering payment plans and extensions at no additional cost to the customer; and
2. The Department requests that premium finance companies grant a grace period similar to the grace periods being granted by many insurance companies<sup>1</sup> in order to prevent insureds from experiencing an interruption in insurance coverage.

This guidance does not amend any of the Department's statutes or regulations.

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<sup>1</sup> On March 18, 2020, Insurance Commissioner Ricardo Lara issued a [Notice](#) to insurance companies, requesting that they provide insureds with at least a 60-day grace period to pay insurance premiums so that insurance policies are not canceled for nonpayment of premiums during the state of emergency.