



STATE OF CALIFORNIA

Department of Business Oversight

GOVERNOR **Gavin Newsom** • COMMISSIONER **Manuel P. Alvarez**

January 17, 2020

THIRD INVITATION FOR COMMENTS ON PROPOSED RULEMAKING COMMERCIAL FINANCING DISCLOSURES (PRO 01-18)

BACKGROUND

In 2018, the State of California passed SB 1235, a bill that requires providers of commercial financing to disclose certain information to the businesses seeking financing. The bill requires the Department of Business Oversight (Department) to adopt regulations governing such disclosures.

On December 4, 2018, the Department invited the public to comment on the substance and form of the disclosures required by SB 1235.

On July 26, 2019, the Department invited the public to provide comment on draft regulations and proposed forms to implement SB 1235.

REQUEST FOR COMMENTS

At this time, the Department is requesting public comment on the economic impact that the proposed regulations would have on stakeholders if implemented. California law requires the Department to consider some or all of the factors listed below as part of the formal rulemaking process. The Department encourages stakeholders to provide information on:

1. Categories and numbers of individuals and business enterprises who will be affected by the proposed regulations and the financial effect on each category.
2. All costs and benefits (direct, indirect, and induced) of the proposed regulations, calculated on an annual basis from the date the regulations are implemented through 12 months after implementation.
3. The creation or elimination of jobs within the state as a result of the proposed regulations.
4. The creation of new businesses or the elimination of existing businesses within the state as a result of the proposed regulations.
5. The competitive advantages or disadvantages for businesses currently doing business within the state as a result of the proposed regulations.

6. The increase or decrease of investment in the state as a result of the proposed regulations.
7. The incentives for innovation in products, materials, or processes arising from the proposed regulations.
8. The expansion of businesses currently doing business within the state as a result of the proposed regulations.
9. The benefits of the regulations, including, but not limited to, benefits to the health, safety, and welfare of California residents.
10. The possible alternatives to the requirements imposed by the regulations, as well as a description of the costs and/or benefits of such alternatives.

TIME FOR COMMENTS

The Commissioner invites interested parties to submit comments by **January 31, 2020**.

WHERE TO SUBMIT COMMENT

The public may submit comments by email to regulations@dbo.ca.gov. Please include “PRO 01-18” in the subject line with copy to Senior Counsel Charles Carriere at charles.carriere@dbo.ca.gov.

Comments may also be submitted by U.S. mail to:

Department of Business Oversight
Attn: Rulemaking Coordinator
1515 K Street, Suite 200
Sacramento, California 95814-4052