

March 7, 2021

The Honorable Manuel P. Alvarez
Commissioner, Department of Financial Protection and Innovation
2101 Arena Boulevard
Sacramento, CA 95834

**Re: INVITATION FOR COMMENTS ON PROPOSED RULEMAKING UNDER THE
CALIFORNIA CONSUMER FINANCIAL PROTECTION LAW (PRO 01-21)**

Dear Commissioner Alvarez:

The Electronic Transactions Association (ETA), the leading trade association for the payments industry, appreciates the opportunity to offer comments on the forthcoming regulations to implement the California Consumer Financial Protection Law (CCFPL).

Financial Data Processing Service Providers Should Be Added to Exemptions

ETA urges the Department of Financial Protection and Innovation (DFPI) to clarify by rule that financial data processing service providers who do not have contractual privity, or direct relationships, with consumers, or who do not receive or transmit funds are exempt from the scope of CCFPL as it would unnecessarily subject these providers to another framework of regulatory requirements. As such, we respectfully request that the definition of “financial product or service” in section 90005(k)(7) be clarified in that “a person who does not receive or transmit funds shall not be deemed a covered person with respect to financial data processing.”

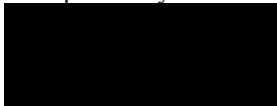
ABOUT ETA

ETA is the leading trade association for the payments industry, representing over 500 companies that offer electronic transaction processing products and services. ETA’s members include banks, mobile payment service providers, mobile wallet providers and non-bank financial technology companies (“FinTech”) that provide access to credit, primarily to small businesses, either directly or in partnership with other lenders. During 2019 alone, ETA members facilitated over \$22 trillion in payments worldwide. ETA member companies are creating innovative offerings in financial services, revolutionizing the way commerce is conducted with safe, convenient, and rewarding payment solutions and lending alternatives.

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We appreciate you taking the time to consider these important issues. If you have any questions or wish to discuss any aspect of our comments, please contact me or ETA Senior Vice President, Scott Talbott at Stalbott@electran.org.

Respectfully Submitted,



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