



STATE OF CALIFORNIA

**Department of Financial Protection and Innovation**

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

**For Immediate Release**

April 29, 2021

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## **DFPI Announces Members of New Debt Collection Advisory Committee**

SACRAMENTO – The California Department of Financial Protection and Innovation (DFPI) today announced the formal creation of its inaugural debt collection advisory committee, a seven-member board that will provide critical feedback to the Department as it stands up its debt collection licensing program. The diverse group includes a consumer advocate and representatives from the debt collection, debt-buying, third-party collection, and collection law industries.

The committee members represent a cross-section of interested candidates; five are industry representatives, one is a consumer advocate, and one is a law and economics professor who studies the industry.

- Elizabeth Gonzalez, Public Law Center
- Scott Hyman, Severson & Werson
- Mark Naiman, Absolute Resolutions Corporation
- Cindy Yaklin, States Recovery Systems Inc.
- Tamar Yudenfreund, Midland Credit Management
- Ohad Samet, TrueAccord Corporation
- Prasad Krishnamurthy, UC Berkeley School of Law

“I look forward to working with this group representing diverse stakeholders in the debt collection industry,” said DFPI Commissioner Manuel P. Alvarez. “The committee’s perspectives and advice will be critical in helping the Department effectively oversee debt collectors and protect consumers.”

The committee members were appointed by Commissioner Alvarez for two-year terms pursuant to Financial Code Section 100025 adopted by passage the Debt Collection Licensing Act (DCLA). The committee is slated to host its inaugural meeting on July 28, 2021 and is expected to meet twice per year or as needed. To learn more, visit: <https://dfpi.ca.gov/dfpi-debt-collection-advisory-committee>.

The DCLA was enacted in 2020 by passage of SB 908. The DCLA protects California consumers and provides the DFPI with licensing and examination authority over debt collectors, which includes debt buyers, operating in California.

The DFPI will begin accepting applications for debt collector licenses later this year. Under the new law, the Commissioner must review all companies applying for a debt collector license. Grounds justifying license denial include “any act involving dishonesty, fraud, or deceit, if the crime or act is substantially related” to the debt collection business and violations of any similar regulatory schemes. Furthermore, the Commissioner may revoke a license if the Commissioner determines that “any fact or condition exists that, if it had existed at the time that the licensee applied for the license, would have been grounds for denying the application.”

As of January 1, 2021, the DFPI is operating under the authority of the new California Consumer Financial Protection Law (CCFPL). The department has expanded supervision and enforcement powers to better protect California consumers, promote responsible innovation, reduce regulatory uncertainty for emerging financial products, and increase education and outreach to vulnerable groups.

In addition to regulating debt collectors, the DFPI licenses and regulates financial products and services, including state-chartered banks and credit unions, student loan servicers, commodities and investment advisers, money transmitters, the offer and sale of securities and franchises, broker-dealers, non-bank installment lenders, payday lenders, mortgage lenders and servicers, escrow companies, PACE administrators, rent-to-own contractors, credit repair companies, consumer credit reporting agencies, debt-relief companies, and more.

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