

June 8, 2021

Commissioner of Financial Protection and Innovation
Attn: Sandra Sandoval, Regulations Coordinator
300 South Spring Street, 15th Floor
Los Angeles, CA 90013

Via Electronic Mail to: regulations@dfpi.ca.gov

Re: Comments on the Proposal to Adopt New Regulations Under the Debt Collection Licensing Act (PRO 02-20)

Dear Ms. Sandoval,

On behalf of the Electronic Transactions Association (“ETA”), the leading trade association for the payments industry, I appreciate the opportunity to share our thoughts regarding the proposed debt collection regulations and have outlined suggestions below we believe are important to provide clarity to the scope of entities are intended for licensure under the Debt Collection Licensing Act.

ETA believes that DFPI should make clear that certain individuals and entities will not need to obtain a debt collection license pursuant to the final regulations under the Debt Collection Licensing Act, including:

Employees of Creditors

An officer or employee of the creditor that, in the name of the creditor, collects debts for the creditor.

Servicers

Loan servicers by either:

- Excluding any persons that collect or attempt to collect any debt owed or due or asserted to be owed or due to another to the extent that such activity concerns a debt which was not in default at the time it was obtained by such person; or
- Excluding persons whose collection activities are confined to and directly related to the operation of a business other than a collection agency.

Additionally, entities that purchase debt from a bank or a licensee that was not past due at time of purchase and collect in a first party capacity should not be required to obtain a debt collection license.

Depository Institutions

The final regulations should clearly state that the depository institution exemption referenced in Section 100001-(b)(1) of the Debt Collection Licensing Act also applies to subsidiaries and affiliates of depository institutions.

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,



Max Behlke
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Electronic Transactions Association
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