



CALIFORNIA  
**BANKERS**  
ASSOCIATION

April 26, 2021

Via email to [regulations@dfpi.ca.gov](mailto:regulations@dfpi.ca.gov)

Commissioner of Financial Protection and Innovation  
Attn: Sandra Sandoval, Regulations Coordinator  
300 South Spring Street, 25<sup>th</sup> Floor  
Los Angeles, CA 90013

Re: **File No.: PRO 01-18**

Ladies and Gentlemen:

The California Bankers Association (“CBA”) appreciates the opportunity to comment on the draft revised regulations issued by the Department of Financial Protection and Innovation (“DFPI”) and the DFPI’s request for comments in writing to the proposed modifications.

CBA has previously provided comments on this matter and we wish to draw your attention to a specific issue presented in our prior comment letters. CBA strongly reiterates its position that subsidiaries, affiliates and entities otherwise related to depository institutions, which are engaged in the business of commercial lending under federal regulatory oversight should be exempted from application of the proposed regulations in the same manner that depository institutions are exempted.

Specifically, CBA requests that a definition of “depository institution” should be added to the proposed regulations as follows:

“Depository institution” means any of the entities defined under section 22800, subdivision (h) of the Code and includes any non-depository subsidiaries, affiliates and other entities related to such depository institutions that are subject to supervision and regulation by federal banking regulators.”

The only affiliates proposed to be exempted are those that are “subject to supervision and regulation by federal banking regulators”. DFPI has supported a similar exemption in its Initial Statement of Reasons for Proposed Regulatory Action under the California Finance Lenders Law and the California Residential Mortgage Lending Act Pro 03/13.

CBA requests that DFPI extend the depository institutions exemption in the proposed regulations to depository institutions’ subsidiaries, affiliates, and related entities that are supervised and regulated by

federal banking regulators, on the grounds that existing federal law offers commercial borrowers dealing with those entities sufficient regulatory protection.

CBA appreciates the opportunity to provide these comments and looks forward to continued work with DFPI on this issue.

Sincerely,

CALIFORNIA BANKERS ASSOCIATION

By: \_\_\_\_\_

Mike Webb  
Vice President, Assistant General Counsel