



STATE OF CALIFORNIA

**Department of Financial Protection and Innovation**

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## **DFPI Sanctions Debt Collector in First Action Under the California Consumer Financial Protection Law**

SACRAMENTO – The California Department of Financial Protection and Innovation (DFPI) today issued its first [enforcement action](#) against a debt collector and debt buyer, Murrieta-based F & F Management Inc. (F & F), for violating the California Consumer Financial Protection Law (CCFPL) by unlawfully threatening to sue consumers and garnish their wages, and submitting negative information to a credit bureau without notifying consumers as required, a practice known in the industry as debt parking.

“The DFPI will not tolerate any unlawful, unfair, deceptive or abusive acts or practices in collecting debts,” said DFPI Senior Deputy Commissioner of the Consumer Financial Protection Division Suzanne Martindale. “Debt collection is one of the DFPI’s top complaint types. This action highlights just some of the unlawful and unfair acts that can cause enormous harm to consumers and plague the debt collection industry, and the ways the DFPI can address them.”

The DFPI has received multiple complaints from Californians and consumers across the country regarding the practices of F & F, and accounts for a significant portion of recent complaints regarding debt collectors. The DFPI found that F & F left recorded voice mails that failed to disclose the caller’s ID, threatened illegal lawsuits and wage garnishment, and failed to notify consumers in writing before or within 30 days of transmitting negative credit information to a credit bureau.

The DFPI issued a Desist and Refrain Order and Order Assessing Penalties totaling \$375,000 to F & F for numerous violations of law, including violations of the Rosenthal Fair Debt Collection Practices Act (Rosenthal), the federal Fair Debt Collection Practices Act (FDCPA), and the Consumer Credit Reporting Agencies Act (CCRAA).

As of Sept. 1, all debt collectors operating in California can now apply to be licensed by the Department, representing the first step in increased state oversight that will include an assessment of applications, formal examinations, and protections for California consumers. Debt collectors, debt buyers, and debt collection attorneys operating in the state may now submit their [license applications online](#) at the Nationwide Multistate Licensing System (NMLS).

The recently enacted Debt Collection Licensing Act (DCLA), which was passed in the state Legislature last year as SB 908, requires that all debt collectors submit a license application prior to Jan. 1, 2022, to continue operating in California next year.

The new law also authorizes the DFPI to take in borrowers' complaints and enforce violations. It will give consumers a single location to check whether companies are licensed, and whether they have been subject to any enforcement actions, including license suspensions or revocations.

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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