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To: DFPI Regulations
Subject: PRO 01/18 Commercial Financing Disclosures SB 123 (Sec. 2060 (10) and others)

Thank you for the opportunity to comment on these proposed regulations.

In reference to section 2060 (10) this section should be adjusted to specify that this section only apply to situations where irregular payment schedules designed to accommodate the financial means of borrowers render interest rates incalculable. In such situations, the terms relating to remaining principal and duration of repayment used to calculate developing interest rates must be disclosed to borrowers such that borrowers may be able to calculate new rates of interest on their own as their payments are made.

Without this specification made in the interest of protecting borrowers, this section would effectively provide a loophole which permitted lenders to produce lending instruments with no cognizable terms, rendering the legislative intention to protect borrowers moot and giving lenders a blank check to adjust their interest rates as they see fit while still presenting to borrowers whatever initial figure they used to hook them into that dangerously ambiguous instrument.

In reference to section 2060 (3), (4) the representation of days in decimal form together with the assumption that every month has 30 days and every year has 360 days are provisions designed contrary to the clear legislative intent to keep consumers informed of the terms involved in their lending instruments. These sections are designed to make calculations easier for lenders, and that's not the goal of the law. The complaint that a burden will be put on lenders here is a complaint that those lenders should be able to pass this burden on to consumers for their own benefit. These are professional financiers, this burden is properly placed on their shoulders and not on the shoulders of the lay consumers whom this law is designed to protect.

In reference to 2060 section (8) which permits documents that certify that consumers have been informed of the disclosures in question to be signed electronically, the fact that this section still requires such documents to be delivered to consumers in a hard copy form defeats any possible advantage created by allowing for electronic signatures while opening up a significant opportunity for lenders to send documents other than those which were electronically signed to consumers. This section creates an opportunity for virtually unpolicable infliction of injury without providing even a modest paper work reduction function, which would still not be a sufficient reason to create this suspect circumstance, if it existed. Hard copy documents which borrowers may sign and independently retain are the best way to fulfill the legislative intent to protect consumers and ensure the availability and integrity of all information relevant to their borrowing terms.