

**From:** Apri Medina  
**To:** [DFPI Regulations](#)  
**Cc:** [Carriere, Charles@DFPI](mailto:Carriere_Charles@DFPI); [Shawn Brick](#); [Dolores Niccolai](#)  
**Subject:** PRO 01-21  
**Date:** Monday, December 20, 2021 9:27:52 AM

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Good morning,

Please accept the following comment regarding proposed regulations for the California Consumer Financial Protection Act.

The proposed regulations under CCFPL PRO 01-21 as written do not clearly define required registrants as indicated by “new covered persons” on the Department of Finance and Financial Protection Innovation website. The rules drafted would appear to envelop a wide swath of institutions, including public universities like the University of California (UC). The intention of the law is to strengthen consumer protections within California’s financial system, but the regulations as drafted may inadvertently penalize responsible institutions.

UC campuses provide education financing which is critical to at risk student persistence and graduation, including Dream students and students not eligible for federal aid programs. The UC participates in the state’s CA Dream Loan program where we contribute a 1:1 match, with current expenditures at about \$2.6 million. Additionally, several of our campuses provide institutional loan to students who cannot access federal aid for various reasons. Total systemwide expenditures for these programs sit at about \$10.1 million.

The University of California is required to meet federal laws which govern consumer protections, including the Truth in Lending Regulation Z, the California Dream Act, the Family Educational Rights and Privacy Act (FERPA), etc. Should UC be required to register, we would be proceeding in a process which mirrors rules and reporting requirements to which we are already held. However, additional administrative time would be required to report in the specific design as cited in these regulations. Furthermore, the currently unknown registration fee amount and how “by applicant” would operate in a system with several campuses, stands to draw scarce administrative resources away from student supports.

We propose that “covered persons” be more clearly defined to exclude those whose primary income does not stem from “subject products” as defined. The intent of the law clearly indicates transparency within the California financial system, and the definitions should more clearly coincide with this intent.

Thank you for your consideration and please feel free to reach out if we can provide additional clarification or assistance on these comments.

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**Attachments:** [image001.png](#)  
[image002.png](#)  
[image003.png](#)  
[image004.png](#)

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Hello Charles,

Per our conversation I am sending over proposed text. Our Legislative Analyst Office got back quicker than I anticipated with proposed text in yellow below. Thank you again for your consideration.

Happy holidays,  
Apri

§ 10. Persons Required to Register.

- (a) No person shall engage in the business of offering or providing a subject product to California residents without first registering with the commissioner pursuant to this subchapter.
- (b) Subdivision (a) shall not apply to persons engaged in providing debt settlement services who are licensees as defined by Financial Code section 12004 and providing debt settlement services under the authority of that license, or persons who have provided an audit report under subdivision (i) of section 12104 within the previous 12 months and are providing debt settlement services solely in accordance with the requirements of that section.
- (c) Subdivision (a) shall not apply to any public California institute of Higher Education already subject to federal consumer protection regulations.