



July 5, 2022

Purpose Financial
135 N. Church Street
Spartanburg, SC 29306

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

Sent: *By e-mail to regulations@dfpi.ca.gov*

Re: Invitation for Comments on Proposed Rulemaking Under the California Consumer Financial Protection Law: Consumer Complaints (Pro 03-21)

Dear Ms. Sandoval,

PURPOSE FINANCIAL (“Purpose”) is the parent company of Advance America, which operates 88 licensed centers with 229 employees in California. Advance America is a community lender licensed under the Deferred Deposit Transaction Law and the California Financing Law as well as pending licensure under the California Debt Collector’s Licensing Act.

Purpose appreciates this opportunity to comment on the Department of Financial Protection and Innovation’s (the “Department”) Proposed Rulemaking Under the California Consumer Financial Protection Law: Consumer Complaints issued on May 20, 2022 (the “Proposed Rule”).

As an initial matter, Purpose supports the comments submitted to the Department by Ms. Eileen Newhall and Paul Soter and would like to join in their suggestions to and objections of the Proposed Rule.

In addition, Purpose submits the following comments and recommendations specific to the proposed language.

As related to Complaints:

Section 1072(a)(5) – Although it is in the best interests of Purpose and its customers to reach a mutually satisfactory solution to any given complaint in as expeditious a manner as possible, maintaining staffing to return any/all complaints within 24 hours of a voicemail message is extremely difficult and expensive. Further, it is unduly burdensome to require Licensees to staff complaint lines over weekends or holidays.

Section 1072(a)(6) – It is an even greater burden upon Licensees to maintaining additional bilingual agents to respond within 24 hours of a voicemail message.



Section 1072(a)(7) – Requiring a Licensee to accept complaints for a minimum of four years from the alleged date of any complained act is unreasonable. This is especially true for Licensees who provide a short term or single payment financial product. Regardless of product, though, in many cases it is likely that the Licensee will have had staff turnover, and many would have no memory, institutional or otherwise, of any given set of circumstances. This would not permit a fair and equitable resolution to a complaint.

Section 1072(b) – Building out a system to provide a written receipt with the attendant requirements of this section are very time consuming and expensive.

Section 1072(c)(1)(A) – This section would seemingly require the identification of every person who works for the company that did not want to investigate any particular complaint and each person’s individual reason for such inaction. This is wholly unreasonable and does not further the goals of the Proposed Rule. Further, this section permits Licensees with the financial wherewithal to make problems go away by refunding or cancelling debts as opposed to launching actual investigations into complaints.

Section 1072(c)(3)(A-B) – Requiring this time intensive and, therefore, expensive periodic review by an officer attempts to place an unreasonable one-size-fits-all solution into an extremely diverse field of Licensees. A more tailored approach is reasonable and can achieve the goals of the Proposed Rule with less burden on smaller Licensees and those Licensees who do not suffer from many complaints.

Section 1072(f)(11) – Please see notes re 1072(c)(1)(A).

Section 1072(h)(1-14) - The requirements for reporting under this section are unduly burdensome, time consuming, and prohibitively expensive.

As related to Inquiries:

Section 1073(a-f) – The requirements under this section are cost-prohibitive and unduly burdensome and go too far without a balancing benefit to consumers. There are likely many less burdensome ways to accomplish the same benefits.

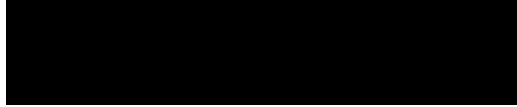
As related to Responses to the Department

Section 1074(a-b) – The objections regarding section 1072 are relevant to this section 1074. These requirements are extremely expensive to comply with and may not lead to the consumer benefits that are envisioned by the Proposed Rule. We ask that they be reconsidered and made less burdensome.



Purpose respectfully urges the Department to study the issues raised during this process, clearly identify any perceived problems that require solutions to be addressed by a proposed rule, and then propose a new rule that is reasonable and practical for all.

Sincerely,



Julie Townsend
Senior Policy Counsel