



August 10, 2022

Department of Financial Protection and Innovation  
Legal Division  
Attn: Sandra Navarro, Legal Assistant  
2101 Arena Boulevard  
Sacramento, CA 95834

**Re: PRO 05-21 / Support of Exemption for HOA Debt from Debt Collection Licensing Act**

Dear Sir or Madam:

I am writing as Director of Accounting of Hidden Valley Lake Association located in Hidden Valley Lake, California. Our homeowners association generally supports the efforts by the Department of Financial Protection and Innovation (“DFPI”) to license debt collectors. We also support the DFPI’s recent proposal to *exempt* “debt owed pursuant to a Homeowners Association Declaration of Covenants, Conditions and Restrictions or other equivalent written agreement.”

The DFPI has clarified on its website that

“routine HOA assessments do not constitute a “consumer credit transaction” as defined in the DCLA, and therefore do not constitute “consumer debt” under the Act. Since the collection of routine HOA assessments is not considered to be collection of “consumer debt,” such activity would not constitute being engaged in the business of debt collection and does not require licensure under the DCLA.”

FAQ #10, <https://dfpi.ca.gov/debt-collection-licensee>

Our homeowners association is a non-profit organization and a licensure requirement would impose a hardship on board members and would increase assessments for members as a result of the new obligations imposed by the Debt Collection Licensing Act.

Therefore, for the continued financial health of thousands homeowners associations across California, I urge you to pass the proposed amendment to exclude HOA debt from the DCLA.

Sincerely,

**Kim Smith**

Director of Accounting  
Hidden Valley Lake Association  
18174 Hidden Valley Road  
Hidden Valley Lake, CA 95467

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