



Lake Don Pedro Owners' Association

5182 Fuentes de Flores, La Grange, CA 95329 • Ph: [REDACTED] • Fx: [REDACTED] • [REDACTED] • www.LDPOA.com

August 17, 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 bookkeeper of Lake Don Pedro Owners Association, located in La Grange, California. Our homeowners association generally supports the efforts by the Department of Financial Protection and Innovation ("DFPI") to license debt collectors. We also greatly 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 significantly increase collection costs for members as a result of the new obligations imposed by the Debt Collection Licensing Act. To be specific, we charge a delinquent owner \$200 if we record a lien on their property. If we were required to use a licensed collection agency for this process, it would add a minimum of \$1,200 to the amount owed by the owner.

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,

[REDACTED]
Monica Fay, Bookkeeper
Lake Don Pedro Owners Association
5182 FUENTES DE FLORES
LA GRANGE CA 95329