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 CEO of Seabreeze Management Company, Inc. located in Aliso Viejo California with branch offices throughout California. Our firm's business involves the management of homeowners associations/common interest development, including the collection of homeowners association assessments. We generally support 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

Most homeowners associations are non-profit organizations 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 of associations across California, we urge you to pass the proposed amendment to exclude formally HOA debt from the DCLA.

Sincerely yours,

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Isaiah Henry, CEO

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