



GRADUATE, UNDERGRADUATE AND EQUITY AFFAIRS

OFFICE OF THE PRESIDENT
1111 Franklin Street
Oakland, California 94607-5200

By email to regulations@dfpi.ca.gov

August 3, 2022

Sandra Navarro
Legal Assistant
Department of Financial Protection and Innovation (DFPI)
2101 Arena Blvd.
Sacramento, CA 95834

Re: PRO 05-21, Invitation for Comments on Draft Text for Proposed Second Rulemaking Under the Debt Collection Licensing Act

Dear Ms. Navarro,

On behalf of the University of California (UC), California's premier public research university system serving more than 280,000 students, we appreciate the opportunity to provide comments on the draft text for proposed second rulemaking under the Debt Collection Licensing Act (DCLA).

UC has reviewed the draft text and would like to suggest further clarification to Section 1850.1(f), relating to the scope of the licensing requirement. As currently proposed, Section 1850.1(f) would clarify that "a local, state, or federal government body," including a "state-chartered public college or university," would not be "engaged in the business of debt collection for purposes of licensure under the [DCLA] when collecting debt owed to a government body." We support this clarification that we believe is intended to exempt the entire California public higher education segment.

However, we are concerned that the term "state-chartered" to describe public colleges and universities could be misconstrued to limit the breadth of this exemption. Public colleges and universities can be established by a State in multiple ways, including, through a charter, statute, constitutional provision, or other action issued by an appropriate State agency or State entity.¹

Therefore, we recommend the DFPI further clarify the definition of a "government body" by revising "state-chartered public college or university" to "public institution of higher education," as reflected below:

¹ See *e.g.* 34 CFR §600.9 (defining State authorized institutions of higher education under the Higher Education Act).

§ 1850.1 Scope of Licensing requirement.

(f) Notwithstanding subdivision (c), a local, state, or federal government body of the United States is not engaged in the business of debt collection for purposes of licensure under the Debt Collection Licensing Act when collecting debt owed to a government body. For the purposes of this division, “government body” includes: a state, county, city, tribal, district, public authority, public agency, judicial branch public entity, ~~state chartered public college or university~~, public institution of higher education, and any office, officer, department, division, bureau, board, or commission thereof.

This modification would be consistent with established terminology as used in the California Education Code,² which defines “Public institution of higher education” to include (1) the California Community Colleges, (2) the California State University, and each campus, branch, and function thereof, and (3) each campus, branch, and function of the University of California, and would not conflict with the intent of the original draft text.

We thank you for your consideration of our comments.

Sincerely,

A solid black rectangular redaction box covering the signature area.

Dolores Niccolai
University of California, Office of the President

² See Ed. Code, §§66010, 94858.5.