

Subject: PRO 03-21 - CONSUMER COMPLAINTS AND INQUIRIES

My name is Courtney Reynaud and I am a third generation owner, operator of Creditors Bureau USA, a retail & commercial collection agency in Fresno, California. I am writing to submit the comments below regarding the DFPI's Notice of Modification to Proposed Rulemaking under the CCFPL: Consumer Complaints and Inquiries (PRO 03-21).

Creditors Bureau USA is a small business with 26 employees. We help recover outstanding payments for products and services provided by other California businesses, hospitals, and community lenders. We are an extension of our community's businesses. We work with large and small businesses across the state, as well as consumers, to obtain payment for the goods and services already received by consumers. Our services allow lenders to extend credit to consumers of all means, as they are assured that they will be able to collect on that debt.

While I support the DFPI's underlying goal of protecting consumers, I have significant concerns about the burdens the proposal will have on consumers, my company, and the clients we serve.

I respectfully request the DFPI consider my comments below and work toward uniformity with federal law. Establishing duplicative and conflicting federal and state, processes, timelines, disclosures, and documentation requirements will only confuse the consumer and create an impossible compliance situation for California companies.

If the DFPI seeks clarity and consistency with the consumers and the companies it regulates, it should consider a consumer complaint portal similar to the CFPB's portal. Creating this type of complaint portal would create consistency for all consumers. A complaint portal should focus on receiving actual consumer "complaints" as defined by the CFPB and not "inquiries" which would inadvertently catch thousands of trivial interactions.

The proposed requirements in PRO 03-21 will significantly increase operating costs for any small business to implement, including my own small business. Due to the overly broad definition of "complaint" and "inquiry" used by the DFPI, creating a system to log, track, respond to, and report all complaints and inquiries will be very costly. My company would need to re-assign at least one full-time staff member or more just to develop and manage the implementation and ongoing management of the processes and procedures required by the proposal. A large portion of this individual's time would be spent handling negative comments and simple inquiries rather than actual complaints.

Section 1071(a) of the proposal defines a "complaint" to include an oral or written expression of dissatisfaction from a complainant regarding a specific issue or problem with a financial product or service (except for the listed exclusions). This overly broad definition will impose

impractical obligations on companies like mine. It will be extremely challenging to determine the difference between a complaint, a dispute and an inquiry.

If during any call a consumer mentions to a collector any form of dissatisfaction or frustration with a financial product or service or even mentions a negative comment about a service provider, that comment would be subject to the proposed regulations. This broad approach is overly burdensome and will do little to help the consumer. Under this approach, actual complaints would take the same level of resources as a mere comment made by a consumer.


Section 1072(b)(1) requires certain written disclosures to be included in all written communications with consumers. These additional disclosures will add significantly to our printing, postage, and mailing costs. Mandating that these disclosures are included in every communication and not just the initial written communication is excessive and will over burden the consumer with excessive paper.

Debt collectors are required to send a 5-day receipt letter, a 15-day response letter and possibly an 18-day letter if additional time is needed to complete an investigation. This series of letters would then be followed by another letter with the investigation response. Adding these new disclosures, in addition to the already required disclosures under Regulation F, SB 531, AB 424, and AB 1020 will only lengthen an already cumbersome written communication process and increase costs to our company significantly.

Section 1072(b)(2) requires certain information to be displayed prominently on any web pages of a covered person relating to a financial product or service. The DFPI needs to provide clarification on what is meant by "prominently". Additionally, this requirement should be limited to the main page of a website. Requiring this a disclosure on any web page is unnecessary and excessive.

I would like to thank the DFPI for the opportunity to provide these comments in response to the Notice regarding PRO 03-21. In addition to my brief comments above, I encourage the DFPI to strongly consider the comments being submitted by my state trade association, the California Association of Collectors.

Respectfully Submitted,



Courtney Reynaud, President
Creditors Bureau USA