



January 20, 2023

Purpose Financial  
135 N. Church Street  
Spartanburg, SC 29306

Department of Financial Protection and Innovation  
Attn: Araceli Dyson  
2101 Arena Boulevard  
Sacramento, California 95834

Sent: *By e-mail to regulations@dfpi.ca.gov*

**Re: Invitation for Comments on Proposed Rulemaking Under the California Consumer Financial Protection Law: Consumer Complaints (Pro 03-21)**

Dear Ms. Dyson,

PURPOSE FINANCIAL ("Purpose") is the parent company of Advance America, which operates 88 licensed centers with 229 employees in California. Advance America is a community lender licensed under the Deferred Deposit Transaction Law and the California Financing Law as well as pending licensure under the California Debt Collector's Licensing Act.

Thank you for this opportunity to comment on the Department of Financial Protection and Innovation's (the "Department") modified Proposed Rulemaking Under the California Consumer Financial Protection Law: Consumer Complaints issued on December 22, 2022 (the "Proposed Rule").

We recognize and appreciate the Department's effort to address many of the concerns expressed in our previous comment letter. However, even with these modifications, the Proposed Rule would still be extremely onerous. We share those concerns and recommendations below and continue to support the comments submitted by the California Financial Services Association and Ms. Eileen Newhall.

As related to Complaints:

Section (1071(a)(1)): In defining "complaint," the proposed regulation lists eight situations that are to be excluded and, presumably, not considered a complaint that would be subject to the proposed process and reporting. We respectfully request that the Department clarify exactly what situations are subject to the complaint process and reporting requirements and further,



how the eight exclusions are to be treated by covered persons. This would be helpful to both covered persons and consumers.

Section 1072(d) – Building out a system to provide a written receipt with the attendant requirements of this section are very time consuming and expensive. Further, the requirement that any written receipt include an email address for a covered person’s representative creates potential privacy and security issues.

This concern is applicable to any proposed rule provisions that allow for email communications between the consumer and covered person. It should be contemplated that a consumer, who chooses to communicate with the covered person’s representative via email, would not likely be using encrypted email and may share personal information in email dialogue with the covered person’s representative. While a covered person can encrypt and protect information sent *to* a consumer, it is not possible for covered persons to protect email sent *by* a consumer, which may leave consumers’ personal information vulnerable.

As related to Responses to the Department

Section 1074(a-b) – The objections regarding section 1072 are relevant to this section 1074. These requirements are extremely expensive to comply with and may not lead to the consumer benefits that are envisioned by the Proposed Rule. We ask that they be reconsidered and made less burdensome.

The Department’s modifications to this proposed rule would result in less burden on covered persons subject to the regulation. However, significant time and expense will still be required to comply with the program and some provisions could create privacy and security concerns for consumers. We request that the Department clearly identify any perceived problems that require solutions and further modify the rule to address only those issues. We also request the Department carefully consider all provisions with a lens toward protecting consumers’ personal information.

Sincerely,



Julie Townsend  
Senior Policy Counsel