

January 20, 2023

Department of Financial Protection and Innovation

Attention Araceli Dyson and David Bae

2101 Arena Blvd.

Sacramento, CA 95834

Dear Gentlepersons,

I have been with our small company since 1992. I was hired to help the Spanish speaking community. I was then the training manager and now manage our small office. This small agency has taught me a lot about customer service and serving the under severed. We seemed to be expanding and at one time almost had 25 employees, those were the "good times". I realized that we appear to hire mostly single parents whom need employer to be very flexible, for children's purposes. It is very sad to see that in the last couple years we have seen more and more costly regulations, increased minimum wages and just burdensome requirements that already are in place through another regulatory body; IE CFPB.

Our company is not thriving as it was, small business cannot keep up with the constant uptick in costs. We no longer can hire people due to our revenue margins being sliced at every turn, we are contemplating doing layoff soon, which I am dreading. Our employees need their jobs and have families to support. We are down to 14 employees and last month were not able to pay our bills. I ask you for your help, we have always helped, now we need your help. I won't be able to hire anyone to keep track of disputes vs inquiries for example. Tik Tok is already telling consumers there is no need to pay bills under \$500.00! Since when is it okay to take and not repay for services rendered? I pray that the unintended bad legislation does not do the opposite of what its creators intended.

These requirements would have a significant detrimental impact on us. I ask that this letter does not fall on deaf ears. Any possible way there can be exceptions to small companies that have a revenue under 2-3 Million? All our insurances went up too, we are struggling to keep afloat. No exaggeration.

- Section 1072(b)(1). This Section requires a covered person to include certain written disclosures in all written communications with consumers in 12-point font. How are we going to handle electronic communication? Why does this have to be on ALL communication

- Based on definition of "Complaints" in the Proposed Regulations, covered persons will likely have to consider each of the following a "complaint:"
  - Each letter sent by a credit repair organization, sent on behalf of a consumer, falsely stating that the covered person has not responded to a consumer, even after the covered person has responded to the consumer.
  - Any time a consumer says, "you are harassing me," and hangs up.

- Any time a consumer is not happy that the covered person is reporting an account to their credit report.
- Anytime a consumer complains about a covered person not deleting an account from their credit report.
- CFPB complaints.
- Due to the broad definition of “complaint” and “inquiry,” PCS may have to log, track, respond to, and report (in a detailed manner) more than \_\_\_\_\_ “complaints” and “inquiries.” That will be a substantial cost.
- We estimate that we will have to add one full time person to handle complaints as defined by DFPI because the definition is so broad.
- Excessive number of letters that have to be sent to the consumer and the huge increase to our postage costs.

In addition to the financial impact there are several issues with the proposed rules as well:

- How about the DFPI having a complaint portal like the CFPB, why should be collection agencies be responsible for the costly burden to track complaints, disputes and inquiries?
- Section 1071 – Definitions. Under Section 1071(a), a “complaint” is defined expressly 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 definition is rather broad and will impose unrealistic requirements on covered persons. Determining the difference between a complaint, a dispute and an inquiry will be challenging enough based on their definitions. Having to log, track and report oral complaints will be unduly burdensome, time consuming and costly.
- Section 1072(c)(3). This Section requires covered persons to return a consumer’s voicemail within two (2) business days. This is too short.
- Section 1072(d)(3). This Section is unnecessarily narrow as it authorizes a covered person not to respond to a repetitive complaint only if the complaint is the identical act, omission, decision, condition, or policy.

Respectfully,

Maryrose Diaz