Dyson, Araceli@DFPI

From: Aram Homampour <aram@irecoverfit.com>
Sent: Thursday, March 23, 2023 9:28 PM
To: DFPI Regulations
Subject: Re: Notice of Second Modification to Proposed Regulations: CCFPL Complaints and Inquiries

Follow Up Flag: Follow up
Flag Status: Completed

know it's late, but why exclude the two most egregious actors? FCRA entities and Student Loan entities?

Please note you must make regulations prohibiting Banks from Reporting Reduced Credit limits. Failure to do so will allow banks to affect the consumer credit rating in an area that the consumer is supposed to be solely in charge of. The debt-to-credit ratio is a major component of the credit score. This is supposed to demonstrate the ability of the cardholder to use credit wisely. This power is taken out of the hands of the consumer when banks are allowed to reduce the credit limit and report the same to the bureau. By way of example, a 10K credit line used to a 2K balance is 20% utilization. The banks fear an economic disaster next year, so they start cutting credit limits. They cut this card's limit to 3K; usually, they do it to the amount of the balance, but let's say they reduce it to 3K. This means the utilization ratio is 75%. This gets reported, and then a cascading effect occurs because the credit score drops because of over-utilization, and then one bank after another does the same thing. This destroys the credit score of the consumer, all without the consumer having a single voice in what happens. To suggest the consumer should pay down those cards is beyond moronic. The consumer used the cards for a reason. The consumer agreed to pay 20% for a reason. Now it's 30%, and you people don't do anything about that gouging, but that is not the point here; the Consumer has no say in this even though they used their credit appropriately and are honoring the terms of their card. If the banks wantS to lower the limit, that is their prerogative, but to allow them to report that and thereby reduce the credit score is insane. This will prevent the consumer from getting a balance transfer at a lower rate or any other remedy for their credit situation. Failure to act here is going to guarantee the economic disaster ahead. The banks can't even handle the tightening of credit, and they get bailed out; how does and average consumer deal with the same? Do the right thing, and for god sake, how do you allow exemptions for these criminal actors, the Credit Reporting agencies, and the Student Loan people? They are worse than the mob. You cant get them to change or validate anything.

(b) Notwithstanding subdivision (a) of this section, Sections 1072, 1073, and 1074

of this Article shall not apply to the following:

(1)(a) A person or entity identified in Section 90002 of the Financial Code, to the extent that person or entity is exempt from the California Consumer Financial Protection Law unless otherwise specified in another law.

(2)(b) a consumer reporting agency as defined by the Fair Credit Reporting Act (15 U.S.C. Sec. 1681a(f)), or

(3)(c) a student loan servicer as defined by Section 1788.100 of the Civil Code.

On Mar 23, 2023, at 2:06 PM, Department of Financial Protection and Innovation (DFPI) <CDFPISubscriptions@Service.GovDelivery.com> wrote:

California Department of Financial Protection and Innovation

Notice of Second Modification to Proposed Regulations under the California Consumer Financial Protection Law (CCFPL): Consumer Complaints and Inquiries (PRO 03-21)

On May 20, 2022, the Department of Financial Protection and Innovation published a Notice of Proposed Rulemaking (PRO 03-21) regarding consumer complaints and inquiries under the California Consumer Financial Protection Law. On December 22, 2022, the Department modified the proposed text.

The Department now proposes further modifications to the text. Please submit comments regarding the second modification to the proposed rules by any of the following methods:

- Via e-mail to: regulations@dfpi.ca.gov with a copy to David.Bae@dfpi.ca.gov. Identify the comments as "PRO 03-21" in the subject line.

- Via postal mail addressed to: Department of Financial Protection and Innovation, Attn: Araceli Dyson, 2101 Arena Blvd., Sacramento, CA 95834.

The deadline to submit comments is Friday, April 7, 2023.

Links to the Notice of Second Modification and to the Second Modified Text are provided below:

- <PRO 03-21 - Notice of Second Modification (PDF)>
- <PRO 03-21 - Second Modified Text (blacklined changes to the text proposed on December 22, 2022) (PDF)>

NOTE: To ensure you receive future notices about CCFPL rulemaking, www.dfpi.ca.gov and select the "Subscribe" button at the bottom of the page.

DFPI California Department of Financial Protection and Innovation
(*formerly the Department of Business Oversight*)

SUBSCRIBER SERVICES:
Manage Subscriptions | Subscription Help | Contact DFPI

STAY CONNECTED:

California Department of Financial Protection and Innovation · 2101 Arena Blvd., Sacramento, CA 95834
This email was sent to aram@sghoalaw.com using GovDelivery.