



Pacific Credit Services (“PCS”) is a member of the California Association of Collectors. PCS is a small business located in Northern California.

My name is Kelly Parsons-O’Brien, I am a 3rd generation debt collector and have worked as a debt collector for 30 years. My business partner and I took over my family’s business in 2015. Our company has been helping consumers and our clients throughout the state of California since 1947.

PCS offers the below comments in reply to the DFPI’s Notice of Modification to Proposed Rulemaking under the CCFPL: Consumer Complaints and Inquiries (PRO 03-21), dated December 12, 2022 (“Notice”).

- 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.
- The definition of “inquiry” is also very broad.
- 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 1,200 “complaints” and “inquiries.” That will be a substantial cost.
- Based on the processes and procedures that PCS will need to adopt in response to the Proposed Regulations, PCS will need add one full time person to log, track, respond to, and report complaints and inquiries. The cost of this full-time employee, with salary and benefits, will be approximately \$65,000.00. That is a substantial cost, especially for a small business like ours.
- The additional disclosures required by the Proposed Regulations on our written communications each year with consumers will add significantly to our postage and mailing costs. It is not uncommon for agencies to not communicate each year with a consumer. If



there is no need for communication, sending a statement about their right to file a complaint is unreasonable and burdensome on a small business.

- Debt collectors as covered persons will have to send a 5-day receipt letter, a 15-day response letter and, if needed, an 18-day letter stating that more time is needed to complete an investigation, followed by another letter with the response to the investigation.
 - The Proposed Regulations will greatly increase our postage and mailing costs. We anticipate a four-figure increase in our postage and mailing costs, which is another significant cost for a small business.
 - Although the updated proposed rules allow for electronic communication, that is only if consented to by the consumer. How do we obtain consent if the consumer fails to communicate with us?
- The processes outlined in PRO 03-21 for covered persons are overly burdensome and costly. Standardization and consistency are paramount in the development of effective and useful consumer protections.
 - In my opinion, the DFPI should manage a complaint portal that receives consumers' complaints, and not "inquiries". In directing complaints to its portal, the DFPI will have the ability to pull analytics from consumer complaints, including but not limited to complaint types and frequency.

Sincerely,

A solid black rectangular box redacting the signature of Kelly Parsons-O'Brien.

Kelly Parsons-O'Brien
President