



CALIFORNIA COMMUNITY
BANKING NETWORK



April 8, 2025

The Honorable Thomas Umberg, Chair
Seante Judiciary Committee
1021 O Street, Room 3240
Sacramento, CA 95814

RE: SB 825 (Limón/ Grayson) – OPPOSE (As Amended March 24, 2025)

Dear Senator Umberg:

The above noted organizations, representing the finance industry doing business in California, write in opposition to Senate Bill 825, a measure that expands the Department of Financial Protection and Innovation’s (DFPI) enforcement authority for the “covered persons” program, pursuant to the California Consumer Financial Protection Law (CCFPL), to make DFPI licensees subject to additional penalties and sanctions targeting unfair, deceptive, or abusive acts or practices (UDAAP).

As enacted in 2020, the CCFPL exempts from its scope DFPI licensees and those licensed or registered by other state or federal agencies, because the new program was intended to target new, emerging financial product and service providers entering the California marketplace that were not regulated under the DFPI’s existing licensing laws. The new Consumer Financial Protection Division was established within the Department to register and supervise those previously unregulated “covered persons.”

SB 825 upends the compromise reached in 2020 that resulted in passage of the California Consumer Financial Protection Law. We believe now, as we did then, that expanding the DFPI’s authority to enforce UDAAP claims is unnecessary and redundant of both the existing authority of the Attorney General and the Department’s own enforcement powers with respect to its licensees. The Department has existing authority alone, or in concert with the Attorney General, to discipline licensees for unfair practices. Further, this new authority will necessarily stretch limited Department resources and compound its current fiscal challenges - again with no clear showing as to why existing state enforcement powers are inadequate.

In summary, the CCFPL was not intended to add redundant investigations of existing licensees outside of their respective licensing laws, where the Department already has clear jurisdiction to regulate any person acting under the authority of their license, certificate, or charter, up to and including suspension or revocation of license. And, under existing law, the DFPI can partner with the Attorney General to prosecute egregious UDAAP cases against bad actors under California's unfair business practices statutes.

For all the reasons stated above, we must OPPOSE SB 825. Please let us know if you have any questions.

Respectfully,

California Bankers Association – Jason Lane, SVP, Director of Government Relations
California Mortgage Bankers Association – Indira McDonald, Contract Lobbyist
California Credit Union League – Robert Wilson, SVP of State Government Affairs
California Community Banking Network – Lindsay Gullahorn, Contract Lobbyist
California Financial Services Association – Scott Govenar, Contract Lobbyist
American Financial Services Association – Scott Govenar, Contract Lobbyist

Cc: All Members, Senate Standing Committee on Judiciary
Christian Kurpiewski, Chief Consultant, Senate Standing Committee on Judiciary
Morgan Branch, Consultant, Senate Republican Caucus
Christina Montoya, Communications Director, Senator Monique Limón
Michael Burdick, Chief Consultant, Senate Banking & Financial Institutions Committee