

Highlights of 2021 Chaptered Legislation

The legislation noted below is a compendium of many, but not necessarily all, of the chaptered bills that may affect or be of interest to licensees of the Department of Financial Protection and Innovation (DFPI). The full text of these bills may be found at:

<http://leginfo.legislature.ca.gov/faces/billSearchClient.xhtml>

Major Legislation

AB 137 (Committee on Budget)

State government.

[AB 137, Chapter 77, Statutes of 2021](#)

(Business and Professions Code, Financial Code, Government Code, Health and Safety Code, Public Contract Code, Public Resources Code, Public Utilities Code, Revenue and Taxation Code, Welfare and Institutions Code)

AB 137 is a state budget bill that makes changes to several statutes, agencies, or departments. Specific to the DFPI, AB 137 increases the maximum CalMoneySmart grant size from \$100,000 to \$200,000, increases the total annual amount of available grants funds from \$1 million to \$2 million per year, and extends the program's sunset from Jan. 1, 2025 to Jan. 1, 2030. This bill also sets the Debt Collector licensing fee at \$350.

AB 283 (Chen)

Corporate securities: exemption from requirements.

[AB 283, Chapter 512, Statutes of 2021](#)

(Corporations Code)

AB 283 exempts a California cooperative incorporated under the Cooperative Corporation Law from existing qualification requirements for any equity-related securities it issues as patronage distributions to its members. This bill also clarifies that the existing \$1,000 exemption limit for cooperative, equity-related securities applies to each member specifically rather than being inapplicable if any member owns more than \$1,000 in equity-related securities.

AB 424 (Stone)

Private Student Loan Collections Reform Act: collection actions.

[AB 424, Chapter 559, Statutes of 2021](#)

(Civil Code)

AB 424 requires a private student loan collector to retain and collect a list of documents prior to attempting to collect debt through a court order. The bill also outlines procedures

private student lenders and loan collectors must follow before taking legal action against a debtor.

AB 430 (Grayson)

Debt collection: identity theft.

[AB 430, Chapter 265, Statutes of 2021](#)

(Civil Code, Penal Code)

AB 430 modifies the identity theft documentation a consumer can provide to a debt collector under the Rosenthal Fair Debt Collection Practices Act, the Identity Theft Law, and the Penal Code, allowing a copy of the Federal Trade Commission (FTC) identity theft report to be accepted in place of the currently required police report. The measure also allows the FTC identity theft report to be used in lieu of a police report to access damages or attorney's fees in a suit or cross-complaint, if completed at least 30 days before filing suit. The FTC identity theft report replaces the requirement for the Department of Motor Vehicle and police reports.

AB 511 (Muratsuchi)

Securities transactions: qualification requirements, exemptions, and liability.

[AB 511, Chapter 617, Statutes of 2021](#)

(Corporations Code)

AB 511 creates a new "crowdfunding" exemption to the California Securities Law. This exemption allows companies to offer and sell securities to investors, irrespective of investor income, and would exempt offerings of up to \$300,000 from a Certified Public Accountant financial review.

AB 636 (Maienschein)

Financial abuse of elder or dependent adults.

[AB 636, Chapter 621, Statutes of 2021](#)

(Welfare and Institutions Code)

AB 636 authorizes the DFPI and other agencies to provide information to a federal law enforcement agency for the sole purpose of investigating financial crimes against an elder or dependent adult. The bill also allows the DFPI and other agencies to provide information to a local code enforcement agency to investigate an unlicensed care facility.

AB 663 (Chen)

Corporations: electronic transmissions: bylaws: emergency powers.

[AB 663, Chapter 523, Statutes of 2021](#)

(Corporations Code)

AB 663 provides additional flexibility to corporations related to electronic communications and corporate governance during an emergency. Specifically, the bill allows a general corporation, nonprofit corporation, or cooperative corporation, in anticipation of an emergency or during an emergency, to take any action it determines to be necessary to

respond to an emergency, mitigate the effects of the emergency, or comply with lawful federal and state government orders, and includes in the existing definition of "emergency" an epidemic, pandemic, and disease outbreak. The bill also allows a general corporation to hold annual shareholder meetings, and a nonprofit corporation and cooperative corporation to hold meetings, entirely via teleconference or other remote means when all shareholders consent or in the case of an emergency.

AB 790 (Quirk-Silva)

Consumer Legal Remedies Act

[AB 790, Chapter 589, Statutes of 2021](#)

(Civil Code)

AB 790 extends protections in the existing Consumer Legal Remedies Act to acts related to Property Assessed Clean Energy (PACE) program administrators, contractors, and third-party PACE solicitors. This bill allows private property owners and the Attorney General's Office to sue PACE program administrators, contractors, and third-party solicitors for violations of the law.

AB 900 (Reyes)

Charitable trusts.

[AB 900, Chapter 708, Statutes of 2021](#)

(Probate Code)

AB 900 enhances the Attorney General's oversight of trusts and other charitable assets. Specifically, the bill requires a trustee holding assets subject to a charitable trust to give written notice to the Attorney General at least 20 days before the trustee sells, leases, conveys, exchanges, transfers, or otherwise disposes of most or all charitable assets.

AB 948 (Holden)

Bureau of Real Estate Appraisers: disclosures: demographic information: reporting: continuing education.

[AB 948, Chapter 352, Statutes of 2021](#)

(Business and Professions Code, Civil Code, Government Code)

AB 948 makes various changes to the Real Estate Appraiser's Licensing and Certification Law to safeguard against discrimination during the appraisal process. Among other things, the bill requires the Bureau of Real Estate to collect and report demographics data to the Legislature.

AB 1020 (Friedman)

Health care debt and fair billing.

[AB 1020, Chapter 473, Statutes of 2021](#)

(Civil Code, Health and Safety Code)

AB 1020 creates new requirements and prohibitions for both hospitals and debt collectors collecting hospital debt under the Rosenthal Fair Debt Collection Act. Specifically, the bill prohibits a debt collector from collecting medical debt without first providing the patient with a copy of the hospital's notice and disclosures that the collector will wait 180 days before collecting debt, suing, or reporting to a credit reporting agency. If a collector brings a complaint against a debtor with medical debt, the bill requires the collector to gather various documentation. Before assigning or selling the patient debt, the bill requires a hospital to send the patient an application for charity care, among other things. The bill also requires the Department of Health Care Access and Information to review hospitals' policies for compliance and impose administrative penalties of up to \$40,000 for violations.

AB 1101 (Irwin)

Common interest developments: funds: insurance.

[AB 1101, Chapter 270, Statutes of 2021](#)

(Civil Code)

AB 1101 revises the insurance coverage minimum and financial practices requirements for homeowner associations in common interest developments. This bill requires a bank, savings association, or credit union that a common interest development deposits money into to be insured by the Federal Deposit Insurance Corporation, National Credit Union Administration Insurance Fund, or a guaranty corporation.

AB 1177 (Santiago)

California Public Banking Option Act.

[AB 1177, Chapter 451, Statutes of 2021](#)

(Government Code)

AB 1177 establishes the CalAccount Blue Ribbon Commission, chaired by the Treasurer, and composed of various members, including the DFPI Commissioner. The bill requires the Commission to contract with a vendor to produce a market analysis of a CalAccount Program that offers Californians free, federally-insured transaction accounts. The bill requires the Commission to deliver the analysis to certain legislative committees by July 1, 2024. This bill only becomes operative upon appropriation by the Legislature, and the Program must be approved for implementation by the Legislature after seeing the results of the analysis.

AB 1320 (Bauer-Kahan)

Money transmission: customer service.

[AB 1320, Chapter 453, Statutes of 2021](#)

(Financial Code)

AB 1320 requires a money transmitter licensee to provide a toll-free telephone number through which a customer may contact the licensee and receive live customer service. Additionally, the bill requires every transaction receipt and the company's website to display the toll-free number. The provisions of the bill take effect July 1, 2022.

AB 1405 (Wicks)

Debt settlement practices.

[AB 1405, Chapter 454, Statutes of 2021](#)

(Civil Code)

AB 1405 establishes the Fair Debt Settlement Practices Act. This law defines debt settlement services and requires debt settlement providers and payment processors to provide consumers with various disclosures, such as a description of the consumer's rights, explanation of service timelines and fees, and a monthly accounting statement. The bill prohibits providers and processors from engaging in abusive practices and allows a consumer to cancel a debt settlement contract at any time without fees or penalties. The bill grants consumers a private right of action against providers who violate the law.

AB 1466 (McCarty)

Real property: discriminatory restrictions.

[AB 1466, Chapter 359, Statutes of 2021](#)

(Government Code)

AB 1466 requires a title insurance company involved in a transfer of real property, and which provides a deed or other documents, to identify whether any of the documents contain unlawfully restrictive covenants and, if found, record a specified modification document with the county recorder. The bill also makes changes to the existing process of recording a restrictive covenant modification.

SB 239 (Committee on Banking and Financial Institutions)

Government finance: surplus investments: savings and loan associations or credit unions.

[SB 239, Chapter 635, Statutes of 2021](#)

(Government Code)

SB 239 reduces the required value of a Federal Home Loan Bank letter of credit that a credit union or savings and loan association uses to collateralize a deposit of state funds, from 110 percent to 100 percent of the amount deposited. Additionally, this bill authorizes the State Treasurer to invest surplus state funds in money market mutual funds.

SB 269 (Portantino)

Credit unions.

[SB 269, Chapter 762, Statutes of 2021](#)

(Financial Code)

SB 269 amends laws governing state-chartered credit unions. The bill allows the DFPI to coordinate with the National Credit Union Administration to develop an alternating exam schedule. The bill also makes various clarifying cleanup changes.

SB 360 (Wilk)

Consumer Credit Reporting Agencies Act: escrow agent rating services and escrow agents.

[SB 360, Chapter 105, Statutes of 2021](#)

(Civil Code)

SB 360 extends the sunset date from Jan. 1, 2022, to Jan. 1, 2027, on existing law that requires escrow agent rating services to comply with the California Consumer Credit Reporting Agencies Act.

SB 497 (Limón)

Qualifying accounts for direct deposit of publicly administered funds.

[SB 497, Chapter 546, Statutes of 2021](#)

(Family Code, Unemployment Insurance Code, Welfare and Institutions Code)

SB 497 revises the definition of qualifying accounts that can receive direct deposits related to unemployment compensation, child support, and other public assistance payments and requires the Employment Development Department to additionally provide direct deposit options for recipients of disability or family temporary disability insurance benefits.

SB 531 (Wieckowski)

Consumer debt.

[SB 531, Chapter 455, Statutes of 2021](#)

(Civil Code)

SB 531 imposes new obligations on a debt collector who is assigned or purchases a consumer debt after July 1, 2022. Upon a debtor's written request, the bill requires the collector to provide the debtor with a statement with the debt balance, the reason for all interest and fees, date of delinquency, the creditor's contact information, and the collectors' California debt collector license number, among other things. The bill outlines the request process and other requirements related to disclosure. The bill applies only to debts past due at least 90 days that have not been charged off and does not apply to mortgage debt.

SB 757 (Limón)

Solar energy system improvements: consumer protection.

[SB 757, Chapter 249, Statutes of 2021](#)

(Business and Professions Code)

SB 757 places solar energy system installation within the definition of home improvement contracts, providing consumers with the same protections that other home improvement contract consumers already have. This bill also requires a third-party providing service on behalf of a contractor to advise the consumer about who is providing the service on their behalf.