

# Collector's Ink

PUBLISHED BY THE CALIFORNIA ASSOCIATION OF COLLECTORS | SUMMER 2021

## EXECUTIVE DIRECTOR | KIM ANDOSCA

THANK YOU! Our PAC is growing and that is so important! Thanks to our incredibly successful 2021 Legislative Day, that was sponsored by Renkim, Corp., we are well on our way to our PAC fund goals for 2021. But we're not there yet so **As you read the updates from your CAC leadership, please consider adding your additional support to the imperative CAC PAC fund.**

A pledge of \$500 will go a long way to win decisively for our industry. Here's where the money will go:

- **First priority:** The Legislature is in a major state of change. Members are leaving and new Members have been elected ... a record number in California. Before California passed term limits, that was not the case. A small interest group like CAC must move quickly to educate new Members on our industry, and probably defuse long-held incorrect impressions of the collection industry. Your contributions assure we will meet them even before they arrive in Sacramento early next year.
- **Second priority:** A small group like ours needs to have the leadership of both Houses know us and our issues. We do not have the capacity to be a major player with the Legislators, so we are left to be known by those Legislators who can influence others to help us. This means the Leadership of both Houses as well as Committee Chairs and Vice Chairs.

**These are real, tangible benefits that will help each and every collection agency in California!**

**A BIG THANK YOU to Renkim for sponsoring the CAC Legislative Day!**



By providing just \$500 to CAC's PAC Fund you will become an integral part of the history-making team that continues to protect the California Collection Industry.

We are asking you and all of your colleagues in the industry to write a check for \$500 (or any amount you can provide) to the CAC PAC Fund. You know where the money will go and what it will do. Now, it's up to you.

Contributions in any amount may also be made by credit card by **CLICKING HERE.**

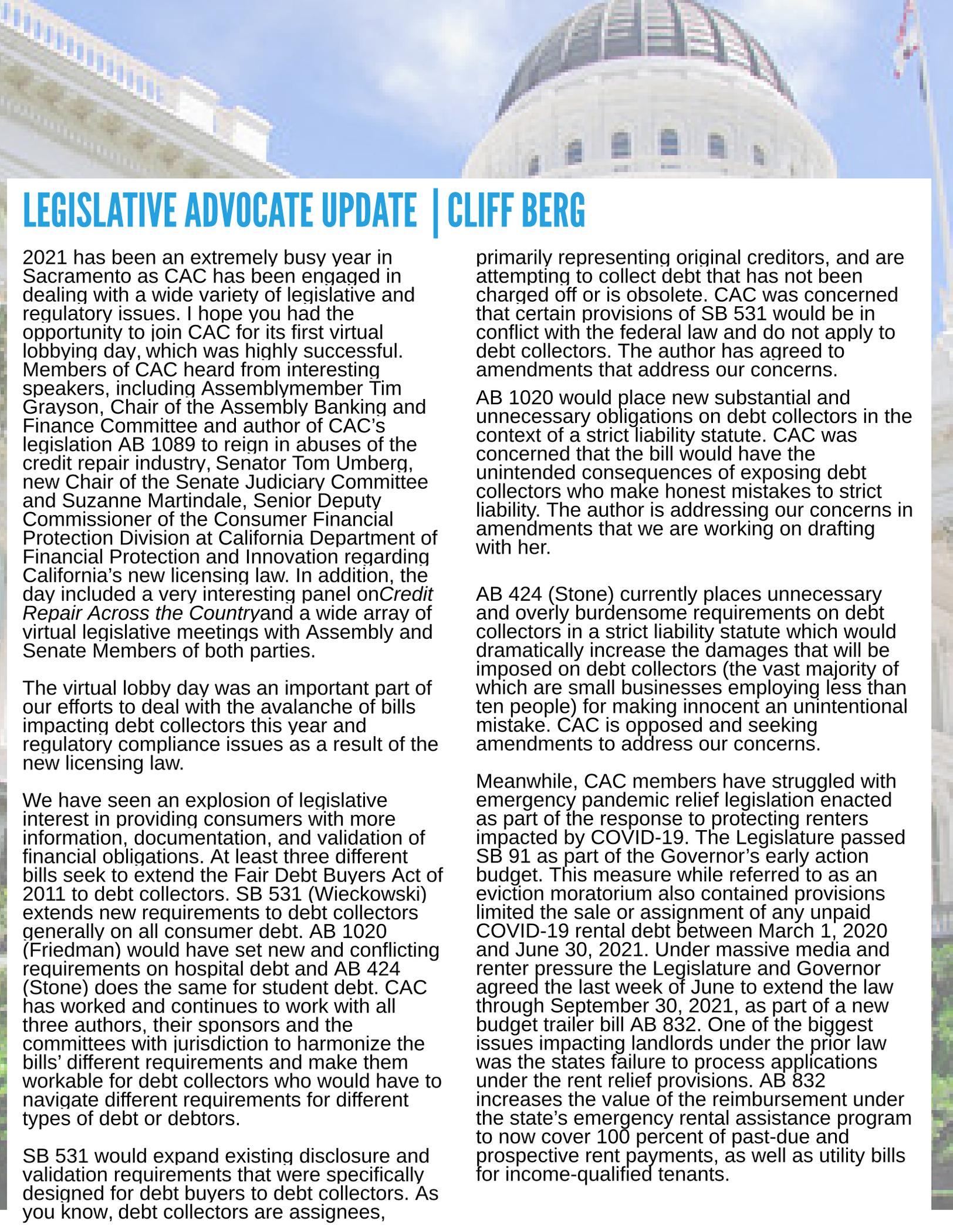
Thank you for your generous help!

## CAC PAC FUND



**Make Your Voice Heard in Sacramento!**

Visit <https://www.efundraisingconnections.com/c/CalifAssoofCollectorsPAC/>

The background of the page is a photograph of the California State Capitol building, showing the iconic dome and the surrounding architecture under a clear blue sky.

## LEGISLATIVE ADVOCATE UPDATE | CLIFF BERG

2021 has been an extremely busy year in Sacramento as CAC has been engaged in dealing with a wide variety of legislative and regulatory issues. I hope you had the opportunity to join CAC for its first virtual lobbying day, which was highly successful. Members of CAC heard from interesting speakers, including Assemblymember Tim Grayson, Chair of the Assembly Banking and Finance Committee and author of CAC's legislation AB 1089 to reign in abuses of the credit repair industry, Senator Tom Umberg, new Chair of the Senate Judiciary Committee and Suzanne Martindale, Senior Deputy Commissioner of the Consumer Financial Protection Division at California Department of Financial Protection and Innovation regarding California's new licensing law. In addition, the day included a very interesting panel on *Credit Repair Across the Country* and a wide array of virtual legislative meetings with Assembly and Senate Members of both parties.

The virtual lobby day was an important part of our efforts to deal with the avalanche of bills impacting debt collectors this year and regulatory compliance issues as a result of the new licensing law.

We have seen an explosion of legislative interest in providing consumers with more information, documentation, and validation of financial obligations. At least three different bills seek to extend the Fair Debt Buyers Act of 2011 to debt collectors. SB 531 (Wieckowski) extends new requirements to debt collectors generally on all consumer debt. AB 1020 (Friedman) would have set new and conflicting requirements on hospital debt and AB 424 (Stone) does the same for student debt. CAC has worked and continues to work with all three authors, their sponsors and the committees with jurisdiction to harmonize the bills' different requirements and make them workable for debt collectors who would have to navigate different requirements for different types of debt or debtors.

SB 531 would expand existing disclosure and validation requirements that were specifically designed for debt buyers to debt collectors. As you know, debt collectors are assignees,

primarily representing original creditors, and are attempting to collect debt that has not been charged off or is obsolete. CAC was concerned that certain provisions of SB 531 would be in conflict with the federal law and do not apply to debt collectors. The author has agreed to amendments that address our concerns.

AB 1020 would place new substantial and unnecessary obligations on debt collectors in the context of a strict liability statute. CAC was concerned that the bill would have the unintended consequences of exposing debt collectors who make honest mistakes to strict liability. The author is addressing our concerns in amendments that we are working on drafting with her.

AB 424 (Stone) currently places unnecessary and overly burdensome requirements on debt collectors in a strict liability statute which would dramatically increase the damages that will be imposed on debt collectors (the vast majority of which are small businesses employing less than ten people) for making innocent an unintentional mistake. CAC is opposed and seeking amendments to address our concerns.

Meanwhile, CAC members have struggled with emergency pandemic relief legislation enacted as part of the response to protecting renters impacted by COVID-19. The Legislature passed SB 91 as part of the Governor's early action budget. This measure while referred to as an eviction moratorium also contained provisions limited the sale or assignment of any unpaid COVID-19 rental debt between March 1, 2020 and June 30, 2021. Under massive media and renter pressure the Legislature and Governor agreed the last week of June to extend the law through September 30, 2021, as part of a new budget trailer bill AB 832. One of the biggest issues impacting landlords under the prior law was the state's failure to process applications under the rent relief provisions. AB 832 increases the value of the reimbursement under the state's emergency rental assistance program to now cover 100 percent of past-due and prospective rent payments, as well as utility bills for income-qualified tenants.

It provides that landlords can receive compensation even if their otherwise income-qualified tenants have already vacated the unit.

CAC sponsored (AB 1089) this year, authored by Assembly Grayson (D-Concord) this measure would have transparency for consumers in dealing with credit repair organizations. It would have addressed problems with CRO's such as unidentified robocalls letters. The bill passed two policy committees in the State Assembly before being held for the year in the Assembly Appropriations Committee on the Suspense File. CAC will look to move forward on this next year, the second year of the two-year session.

CAC is supporting similar legislation introduced this year, AB 1405 authored by Assemblywoman Buffy Wicks that addresses similar problems created for consumers and businesses by debt proraters. AB 1405 would establish the Fair Debt Settlement Practices Act and will improve regulation and enforcement against unfair and deceptive acts and practices in the debt settlement industry.

Legislation introduced this year - SB 373 (Min) was put on hold after CAC expressed concerns with other stakeholders over the bill's provisions which would have stopped the collection of debt owed by victims of economic abuse. We expect to be working with the author to write a narrower bill that does not invalidate legitimate financial obligations over the fall.

Meanwhile, the California Department of Financial Protection and Innovation continues to work on developing regulations and details of the licensing process under SB 908, the new California licensing law for debt collectors and debt buyers. CAC has been working with the Department to address issues as they come up. Earlier in the year, CAC was successful in getting the Department to recalculate the estimated number of licensees which might have impacted the licensing fee. The Department issued proposed regulations in April to which CAC responded with comments. A new revised regulation was just issued on June 23 with modifications to which CAC will likely comment based on feedback from members. Comment deadline was on June 12.

The Legislature is in the process of hearing bills in the 2nd house, will break July 15th for a summer recess, and return August 15th to wind up by September 10th.

## DONATE TO CACESF FOR THE MONTH OF GIVING!

Donate today to support CAC's Educational Foundation!

Every year, The California Association of Collectors' Educational Scholarship Foundation awards three scholarships at CAC's Annual Conference. The first place winner receives \$2,500, the second place winner receives \$2,000, and the third-place winner receives \$1,500.

Last year we raised just under \$7,500 for the CACESF. This year we want to reach our goal of \$15,000! Can we count on your support? Donate today and you will be featured in our weekly Month of Giving email blasts through July 31, 2021, as well as in CAC's communications, newsletters, and on social media.

Giving is simple—here's how to donate online: visit [www.cacesf.org](http://www.cacesf.org) and click the **yellow donate button** in the top left corner to select an amount and process payment.

**Thank you to our Month of Giving donors so far!**

**Collectibles Management Resources**

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***\*\*\*CACESF is a 501(c)(3) nonprofit charitable foundation. All donations are tax-deductible. Tax***

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## ATTENTION CAC MEMBERS!

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OCTOBER 4-5, 2021

We are delighted to announce that Attendee registration for the LIVE Annual Conference is open. Make sure to register today to reserve your spot and book your hotel room at the Omni Rancho Las Palmas! Space is limited.

### *Rates:*

Early bird registration ends September 2nd. Make sure to register before then because rates will increase!

**Members:** First Registrant **\$525**, Additional staff from same agency **\$395**.

**Non-Members:** First Registrant **\$675**, Additional staff from same agency **\$495**.

**Guest Fee:** \$375

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### **Housing Information**

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