



**2020**

# REGULATORY COMPLIANCE CONFERENCE

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# California Legislative Update

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# Legislative Session Status

- CA Legislature adjourned 8.31.20
- Governor must sign/veto measures 9.30.20
- General election 11.3.20
- Organizational session 12.7.20



# Cannabis Banking

## AB 1525 (Jones Sawyer)

- Authorizes persons licensed to engage in commercial cannabis activity in this state to request that specified information about them in the state's track-and-trace system be shared with financial institutions for specified purposes
- States that the provision of financial services to a person licensed to engage in commercial cannabis activity in this state is not a violation of California law

# Debt Collection

## **AB 1885 (Committee on Budget)**

- Increases existing homestead exemption amount to the greater of \$300,000 or the countywide median sale price of a single-family home in the calendar year prior to the calendar year in which the judgment debtor claims the exemption, not to exceed \$600,000
- Amounts adjust annually for inflation

# Debt Collection Licensing Act

## SB 908 (Wieckowski)

- Requires DBO licensure of persons who engage in the business of debt collection in this state
  - Exempts depository institutions chartered under state or federal law, California Financing Law licensees, California Residential Mortgage Lending Act licensees, Real Estate Law licensees, foreclosure trustees, and persons subject to the Kernette Rental-Purchase Act
- Empowers DBO with enforcement authority for violations of the Rosenthal Fair Debt Collection Practices Act
  - Authorizes the commissioner to issue a desist and refrain order and to order the payment of ancillary relief for Rosenthal Act violations

# Human Resources

## AB 685 (Reyes)

- Requires employers to provide written notice and instructions to employees who may have been exposed to COVID-19 at their worksite
- Provides definitions for:
  - Notice of potential Exposure
  - Qualifying Individual
  - Worksite
- Provides actions that an employer must take within one business day of receiving notice
- Requires employers to report specific criteria to local public health agency in instance of a COVID-19 outbreak
- Effective 1.1.21

# Human Resources

## SB 1383 (Jackson)

- Expansion of California Family Rights Act
- Twelve workweeks of unpaid, protected leave during a 12-month period for specified medical and family care reasons
  - Expands definition of family member to include domestic partners, grandparents, grandchildren, sibling, parents-in-law, and child of a domestic partner
- Impacts employers of five or more employees
- Enforced via private right of action

# Public Banking

## **AB 310 (Santiago)**

- Second attempt in current legislative session
- Mandates investment of public dollars
- Modeled after North Dakota Public Bank





# Taxation

## **Proposition 15 - Split Roll**

- Impact to commercial property underwriting

## **Tax on Services**



# Product Liability

## AB 3262 (Stone)

- Extends strict liability to e-commerce retailers for product defects
- Bay Summit Community Assn. v. Shell Oil Co. (1996)
- Impact to credit card reward platforms



# Local Government Activity

## Los Angeles County RBO

- Focus on mortgage forbearance
- Bank “scorecard”



# Small Landlord and Homeowner Relief Act

## AB 3088 (Chiu)

- Expands HBOR to non-owner occupied residential 1-4
- For residential 1-4, servicers must provide written notice when denying a forbearance request made between 8.31.20 and 4.1.21
- Notice must set forth reason(s) forbearance was not provided
- Borrower is granted 21 days from the mailing of the notice to correct a curable defect

# Small Landlord and Homeowner Relief Act

## AB 3088 (Chiu)

- Servicer must respond to revised request within five business days
- Applies to borrowers current as of 2.1.20 and that experience a financial hardship due, directly or indirectly, to COVID-19
- Exemption for servicers that comply with CARES Act for federally backed mortgages and provide consistent treatment with CARES Act for non-federally backed mortgages


# Small Landlord and Homeowner Relief Act

## AB 3088 (Chiu)

- Applicable federal guidance must be followed relative to post-forbearance options
- Exemption for servicers following relevant federal guidance for federally backed mortgages and servicers reviewing customers consistent with federal guidance for non-federally backed mortgages
- Violations subject to private right of action
- Does not impose foreclosure moratorium or mandatory forbearance

# Department of Financial Protection & Innovation


## **AB 1864 (Limon)**

- Restructures the Department of Business Oversight
  - Establishes the Department of Financial Protection and Innovation
  - Requires registration of unlicensed entities offering financial products or services
  - Enforcement of unfair, deceptive, abusive acts or practices
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# Department of Financial Protection & Innovation

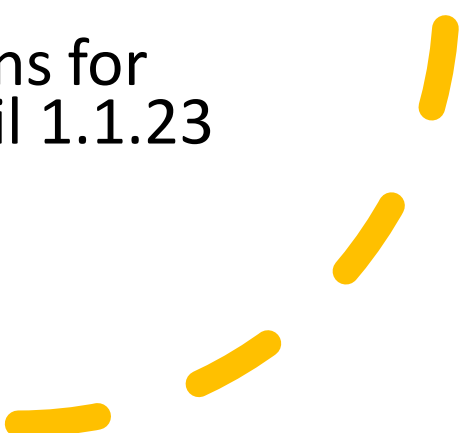
## **AB 1864 (Limon)**

- Commissioner may bring civil action or other appropriate proceeding and secure remedies under DFA Section 1042
  - Nothing shall be construed to expand upon or limit the authority granted by DFA Section 1042
  - Federally chartered banks and state-chartered banks exempt from CCFPL
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# California Privacy Rights Act of 2020

## Proposition 24

- Proposal on the November 2020 general election ballot
  - Expands CCPA by adding a right to correct inaccurate PI
  - Establishes the Privacy Protection Agency
  - GLBA exemption intact & exemptions for employee and B2B PI extended until 1.1.23
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# California Consumer Privacy Act

## **AB 1281 (Chau)**

- Continues exemptions for employee and B2B PI until 1.1.22
- Operative only if the voters do not approve CPRA
- Advocacy efforts will continue to extend duration of exemptions beyond 1.1.22

Thank you!



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