

Insights

CALIFORNIA REQUIRES CONSUMER FINANCE PROVIDERS TO REGISTER BY FEBRUARY 15

Jan 09, 2025

The California Department of Financial Protection and Innovation (“DFPI”) announced new requirements pursuant to the California Consumer Financial Protection Law (“CCFPL”) for registration of certain consumer financial service providers providing services to residents of California. Providers of the following products are required to register:

- Debt Settlement Services
- Student Debt Relief Services
- Education Financing
- Earned Wage Access

Covered providers are required to submit registration applications through the Nationwide Multistate Licensing System or “NMLS,” including information about the company and individual senior officers and controlling persons. Registrants are required to submit annual reports of data related to each covered line of business, including revenue derived from California residents and collection activities. Information submitted in annual reports will not be subject to public disclosure pursuant to the California Public Records Act. The CCFPL authorizes the DFPI to conduct examinations of both registrants and non-registrants that are covered by the law.

Applicants must pay a fee of \$350. Registrants will also pay an annual registration fee equal to a *pro rata* share of the department’s costs of administering the CCFPL based on the registrant’s share of all registrants’ gross income from California residents from the subject products, with a minimum of \$500.

Banks and other financial services providers that are licensed under other provisions of the California Finance Code are exempt from registration, although certain exempt providers are required to submit similar annual reports specific to the financial products covered by the registration requirements. Changes to registration information must also be reported.

Although not a licensing requirement, timely registration is required “to continue operating legally within the state.” Information previously submitted via the NMLS system may serve the registration requirements, with the addition of certain product related additional information. The DFPI is considering other consumer financial products for inclusion in the registration requirements.

Additional information regarding registration and compliance may be found on the [DFPI website](#).

See text of the [Final Rule implementing the California Consumer Financial Protection Law](#).

Please contact the authors or any member of BCLP’s financial services practice group with questions or assistance with compliance.

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MEET THE TEAM



Stanton R. Koppel

San Francisco

stanton.koppel@bclplaw.com

+1 415 675 3437



Kenneth M. Achenbach

Atlanta

ken.achenbach@bclplaw.com

+1 404 572 6808



Carlie Tenenbaum

San Francisco

carlie.tenenbaum@bclplaw.com

+1 415 675 3432

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