

# LENDERS UPDATE™

## ALT & ASSOCIATES NEWSLETTER

A COMPLIMENTARY SERVICE TO THE MORTGAGE LENDING INDUSTRY

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## **REGULATORS ABHOR A VACUUM**

**This month's DBO newsletter announces California Governor Gavin Newsom's new proposal** *"to revamp the Department of Business Oversight (DBO) with added staff and authority to cement its position as a premier financial regulator and national model for consumer protection."*

**The new plans would give** *"the DBO expanded enforcement powers to protect California consumers from the regulatory retreat by federal agencies, most notably the Consumer Financial Protection Bureau (CFPB). Modeled after the CFPB, the new law is also designed to promote innovation, clarify regulatory hurdles for emerging products, and increase education and outreach for vulnerable groups."*

**The new DBO would go by the new name of the Department of Financial Protection and Innovation. The newly renamed and expanded department would have new powers to protect consumers from unfair, deceptive, or abusive practices committed by**

anyone offering financial services or products to Californians. This is certainly a broad charge.

The new DFPI, if we may call it that, would:

- ✚ Create a new Division of Consumer Financial Protection to supervise financial services not now regulated by the Department.
- ✚ Create an Office of Financial Technology Innovation, targeted to “vulnerable” groups such as students, new Californians, the military, and senior citizens. As one of its jobs, this office would study a state regulatory scheme for virtual currencies.
- ✚ Create a new consumer protection ombudsperson.

The newsletter may be found at:

<https://dbo.ca.gov/2020/01/15/january-2020-monthly-bulletin/>

## ABOUT ALT & ASSOCIATES

Alt & Associates publishes the *Lenders Update* via e-mail as a complimentary service to our friends and clients in the financial industry throughout California and the United States. Over the past three decades, members of the firm have represented Institutional Lenders and Mortgage Bankers and Brokers in all aspects of their business operations. Legal counsel provided to the mortgage industry includes, but is not limited to:

- ✚ Regulatory and compliance assistance, both state and federal
- ✚ Operational assistance
- ✚ Transactional Agreements such as Correspondent and Broker Agreements
- ✚ Compensation Agreements
- ✚ Litigation representation

You may direct any questions or comments directly to:

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