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Bet Tzedek Legal Services (LA)

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Public Counsel (LA)

Public Law Center of Orange County

Riverside Legal Aid

UC Irvine Consumer Law Clinic

Watsonville Law Center

August 28, 2020

The Honorable Gavin Newsom, Governor  
California State Capitol  
Sacramento, CA 95814

**Re: Assembly Bill 2559 – REQUEST FOR SIGNATURE**

Dear Governor Newsom:

The California Low-Income Consumer Coalition (CLICC) respectfully requests your signature on AB 2559. The bill provides much-needed and long-overdue authority to the Department of Business Oversight to recover money for consumers harmed by non-bank lenders, which occupy an increasing share of the consumer lending industry.

Under current law, even when the DBO is able to assess a penalty that is paid to the State, injured consumers may receive no compensation for the harm they have suffered as a result of a business's violation of the California Financing Law. The CFL does not currently give the DBO authority to require consumer refunds or restitution upon finding a violation during a commercial loan transaction. That needs to change.

Giving the DBO the ability to provide restitution to injured consumers not only advances the cause of consumer protection but also creates a level playing field in the consumer finance industry. Like banks, non-bank lenders will now be held responsible for restoring money to customers from whom it has been unlawfully taken.

There is no good reason to make the state's financial regulator operate with one hand tied behind its back. Consumers and businesses both thrive when clear guardrails are in place and applied evenhandedly.

As one of the state's leading voices on behalf low-income consumers, CLICC respectfully and energetically offers its support for AB 2559, and requests that you sign it into law.

Please do not hesitate to contact Dani Kando-Kaiser at [dani@corbinandkaiser.com](mailto:dani@corbinandkaiser.com) with any questions or concerns.

Sincerely,

Ted Mermin  
Director  
California Low-Income Consumer Coalition

cc: The Honorable Rebecca Bauer-Kahan