Wednesday, March 11, 2020

California's Governor Gavin Newsom has big plans for the Department of Business Oversight. These plans were described in his proposed 2020-2021 budget as follows:

"To better reflect its current and future role, DBO's name will be changed to the Department of Financial Protection and Innovation. The Budget includes $10.2 million Financial Protection Fund and 44 positions in 2020-21, growing to $19.3 million and 90 positions ongoing in 2022-23, to establish and administer the California Consumer Financial Protection Law, which will provide consumers with more protection against unfair and deceptive practices when accessing financial services and products. This will be accomplished by expanding the Department’s authority to pursue unlicensed financial services providers not currently subject to regulatory oversight such as debt collectors, credit reporting agencies, and financial technology (fintech) companies, among others."

The Senate Banking & Financial Institutions Committee will be holding a joint hearing with the Senate Fiscal Review Subcommittee No. 4 to consider the Governor's proposed plans on April 1. Because these changes are being implemented through the budget process, they could take effect on July 1, the beginning of California's next fiscal year.