



April 14, 2025

The Honorable Thomas Umberg
Chair, Senate Judiciary Committee
1021 O Street, Room 3240
Sacramento, CA 95814

RE: Senate Bill 825 (Limón) - SUPPORT
As Amended 3/24/2025

Dear Senator Umberg,

The Consumer Federation of California, California Low-Income Consumer Coalition (CLICC), National Consumer Law Center (NCLC), and the Center for Responsible Lending (CRL)—proud co-sponsors—are writing to express strong support for Senate Bill 825, co-authored by Senator Monique Limón (D–Santa Barbara) and Senator Tim Grayson (D–Concord). This bill amends the California Consumer Financial Protection Law (CCFPL) to clarify and underscore the authority of the Department of Financial Protection and Innovation (DFPI) to enforce consumer financial protection laws to safeguard consumers from deceptive and predatory practices.

The need for clear and effective DFPI enforcement authority could not be more urgent. In the aftermath of the Great Recession of 2008, when some 10 million Americans lost their homes, Congress created the federal consumer protection watchdog that had been so conspicuously absent in the years leading up to the mortgage crisis: the Consumer Financial Protection Bureau (CFPB). Through oversight, regulation, and especially enforcement, since its founding in 2011 the CFPB helped stabilize the housing market, create a level playing field within financial markets — and return more than \$21 *billion* dollars to consumers.¹

And then in late January of this year that most welcome and essential watchdog was dismantled by the incoming federal Administration. Court orders may have averted or paused the total destruction of the CFPB, but there is little question that the Bureau will be at most a ghost of its former self for the remainder of the Trump years.

¹ See, “About Us,” Consumer Financial Protection Bureau (2025), <https://www.consumerfinance.gov/about-us/the-bureau/>.

California therefore needs to act, right now, to protect consumers and to safeguard honest businesses.

The dismantling of the CFPB has left a void in consumer financial protection in this country. Forty million Californians, and many times that number of consumers throughout the U.S., are facing the prospect of a marketplace where – in the absence of a robust public regulator – scam artists and grifters predominate and the rest of us are left to fend for ourselves.²

It doesn't need to be that way.

In 2020, a broad coalition of advocates – representing consumers, small businesses, civil rights organizations, and many others – came together to revamp and repurpose the old Department of Business Oversight, creating a new agency that could help fill the void left by the withdrawal of the CFPB during the *first* Trump administration. California's AB 1864 (Limón) created the DFPI, enacted the California Consumer Financial Protection Law (CCFPL), and provided the new Department with the power and resources to investigate predatory businesses, to oversee and register financial service providers, and to offer public outreach and education to millions of Californians.

But the revamped state agency was hobbled by one provision in AB 1864. The new law could be read to prevent the Department from bringing broad enforcement actions on behalf of consumers harmed by unfair, deceptive, or abusive acts or practices against entities that were already licensed by the DFPI.

Enter SB 825.

This straightforward bill authorizes DFPI to enforce state consumer financial protection laws such as the CCFPL over entities they currently regulate, including state-chartered banks, state-chartered credit unions, independent mortgage companies, nonbank lenders, and payment service providers. Without a federal agency adequately enforcing consumer protection laws, bad actors will have increased opportunities to engage in unfair, deceptive and illegal financial acts and practices. Moreover, recent developments at the CFPB raise the prospect that the current CFPB will actively undermine DFPI's ability to protect its consumers from unlawful actors. Now more than ever, California must rise to the occasion to ensure the protection of millions of consumers in the Golden State – and beyond.

² Derek Kravitz (2025), "The Consumer Financial Protection Bureau is being told to stop its work. 5 ways that could impact consumers like you," Consumer Reports, <https://www.consumerreports.org/consumer-protection/how-cfpb-changes-could-impact-consumers-a2527371632/>.

For these reasons, we respectfully ask for your support and aye vote on SB 825. Thank you for your consideration of this request.

Sincerely,



Robert Herrell
Executive Director
Consumer Federation of California



Ted Mermin
Executive Director
California Low-Income Consumer Coalition



Michael Best
Senior Attorney
National Consumer Law Center



Andrew Kushner
Senior Policy Counsel
Center for Responsible Lending

CC: Members and Staff, Senate Judiciary Committee
Senator Monique Limón
Senator Tim Grayson