

Senate Bill No. 777

CHAPTER 478

An act to add and repeal Section 22050.5 of the Financial Code, relating to finance lenders.

[Approved by Governor September 22, 2016. Filed with Secretary of State September 22, 2016.]

LEGISLATIVE COUNSEL'S DIGEST

SB 777, Lara. The California Finance Lenders Law: application.

Existing law, the California Finance Lenders Law, provides for the licensure and regulation of finance lenders and brokers. Existing law exempts from its provisions, among others, persons making 5 or fewer commercial loans in a 12-month period if the loans are incidental to the business of the person relying upon the exemption.

This bill would also exempt, until January 1, 2022, a person who makes one commercial loan in a 12-month period from regulation pursuant to the California Finance Lenders Law.

The people of the State of California do enact as follows:

SECTION 1. Section 22050.5 is added to the Financial Code, to read:

22050.5. (a) This division does not apply to any person who makes one loan in a 12-month period if that loan is a commercial loan as defined in Section 22502.

(b) This section shall remain in effect only until January 1, 2022, and as of that date is repealed.

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