

Collector's Ink

PUBLISHED BY THE CALIFORNIA ASSOCIATION OF COLLECTORS | FALL 2025

President's Message

RESOLVE AND ACTION: NAVIGATING DFPI TOGETHER

By Rick Minton



Dear CAC Members,

I was going to begin this letter with "Happy Fall, CAC Members," until I realized how ridiculous "happy" sounds when addressed to a collection agency owner or manager in California at this time and place. So instead, hello CAC members, good luck, and get involved!

You've all seen the DFPI budget and received your annual assessment. Like me, I'm sure you are aghast and angry but probably not surprised. I've been in this business for over 45 years, and I cannot remember a time when our livelihoods felt more threatened. Agencies that collect medical debt have had their hands tied, stripped of vital tools to collect verified unpaid bills, while all of us, regardless of the type of debt we collect, are being asked to pay more in the form of this assessment.

Your association has never been more important to your business than it is right now. Be sure to read Cliff Berg's legislative update article in this issue. Our victories are few, but they are significant thanks to Cliff and our CAC legislative team. Pay particular attention to Cliff's recommendation to visit your representatives in the State Assembly and State Senate; it truly makes a difference.

Also, make plans to attend our annual conference in April, which coincides with our legislative day. This event may be one of the most important investments of time you make for your business, especially now!

I hope you all received Kelly Parsons-O'Brien's recent message through our Google Group CalCollectors. If you haven't, please be aware of the current actions

ACA and CAC are taking and follow their important recommendations as we work together to challenge the over-burdensome, overreaching DFPI regulations:

- **ACA** is leading the response to the DFPI and is working to determine the best course of action to protect the interests of CAC members.
- **ACA held a special board meeting on Oct. 27 to decide the next steps and returned this report to CAC:** The ACA Board is concerned about the unreasonableness of the CA DFPI assessments. The board is committed to working with our CA Unit and also has authorized working 50/50 with RMAI to use whatever means are necessary, be it litigation, legislative advocacy, or other means, to get the current amounts reduced to reasonable levels. ACA's efforts will be funded through the ACA Industry Advancement Fund. The next steps are being deliberated now and you can expect more news shortly as that strategy gets executed.

What CAC needs you to do now:

- **Hold your DFPI payment.** The assessment fee deadline remains **Dec. 31, 2025**, so there is plenty of time to see what CAC and ACA recommend as a collective course of action as well as plan for a payment.
- **Share your assessment details.** Send your assessment information and a short note describing how the assessment impacts your business (operational strain, staffing, margins, etc.) to the CAC Legislative Committee. This data is *critical* for our legal and strategic planning.

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Please email your information to:

- **Cindy Yaklin** - cindy.yaklin@statesrecovery.com
- **Kelly Parsons-O'Brien** - kelly@pacificcreditservices.com
- **Courtney Reynaud** - courtney@creditorsbureau.com

Finally – and most importantly – **come to the 109th Annual CAC Conference and Legislative Day April 19-21 in Sacramento.** Your attendance is more important than ever.

I've heard some agencies say that the 2026 conference cannot fit into their budget because of the DFPI assessment or declining revenue, especially for those collecting medical debt. I can't stress enough how vital it is to make the conference and legislative day a priority. CAC and your fellow members need you, your voice in Sacramento, and your ideas at the conference.

Please put the conference in your budget and in your calendar. **CAC NEEDS YOU!**

With appreciation and resolve,
F.J. "Rick" Minton
President

ANSWER THE CALL: HELP STUDENTS THRIVE THROUGH THE CAC EDUCATIONAL SCHOLARSHIP FOUNDATION

CAC receives hundreds of essays each year from California high school students, each sharing their experiences and insights on the importance of establishing and maintaining good financial credit during their college years – which is an essential step toward lifelong financial stability.

Applying for scholarships takes courage, thoughtfulness, and a significant investment of time and effort. And narrowing it down to just the top three finalists is a challenge.

Unfortunately, our scholarship fund has been nearly depleted, and without immediate financial support, we will be forced to eliminate this valuable award for the upcoming academic year.

Giving to the scholarship fund will only take a few minutes and make a lasting impact on a student's educational journey.

Help us reach our goal of raising \$10,000 now! Your contribution will directly fund scholarships for deserving students who demonstrate insight, initiative, and a commitment to financial responsibility.

I know this is a difficult time to ask for money from California bill collectors, but we need you! Every dollar helps ensure we can continue educating and rewarding students for learning how to manage credit wisely.



How to Give

Donate directly at www.calcollectors.net/foundation

To donate by check, make checks payable to CACESF or CAC Education Scholarship Foundation and mail to

- California Association of Collectors,
3200 Courthouse Lane
Eagan, MN 55121

CAC's Educational Scholarship Foundation is a 501(c)(3) charitable corporation. All donations are tax-deductible. Tax ID Number 56-2521491.

Together, we can continue empowering students to make sound financial choices and build strong futures.



Executive Director's Message

FROM MOMENTUM TO ACTION: JOIN US IN SACRAMENTO FOR THE 109TH CAC ANNUAL CONFERENCE & EXPO

By Kimberley Huntington

Coming off an energizing 2025 Conference and Legislative Day, where we tackled medical debt's legislative and operational challenges, deepened cross-industry collaboration, and took a practical dive into DFPI's examination process, CAC is carrying that momentum straight into 2026. We left Sacramento last year feeling privileged to be together, inspired by the next generation through the CAC Educational Scholarship Foundation finalists, and reminded that camaraderie and advocacy go hand in hand. This April, we return to Sacramento to build on that spirit with a program designed to educate, unify, and amplify your voice at the Capitol.

The first day will be all about equipping members with the knowledge to navigate what's next. Expect practical, peer-tested insights that reflect the real work happening inside California agencies. On day two, we take our shared expertise to the Capitol. Face-to-face meetings with legislators are where policy meets reality and where your stories, data, and day-to-day experience make all the difference.

Last year reminded us of the power of our unified voice. This year, we'll build on that impact by engaging directly with policymakers. Your presence and perspective shape smart, workable policy.

Registration information coming soon!

Mark your calendar, rally your team, and plan to be in Sacramento April 19-21, 2026. We can't wait to see you at the 109th California Association of Collectors Annual Conference & Expo.

Keep the mission growing: support the CAC ESF

In 2025, the scholarship finalists inspired us with personal, practical lessons in building strong financial habits. Let's keep that momentum going. Your support helps the CAC Educational Scholarship Foundation continue to award scholarships and expand financial literacy for thousands of students.

Donate directly at www.calcollectors.net/foundation and consider inviting a colleague to join you – sharing the opportunity on LinkedIn helps amplify the impact.



109TH ANNUAL CAC
CONFERENCE, EXPO
& LEGISLATIVE DAY

SAVE THE DATE

APRIL 19-21, 2026

SAFE Credit Union
Convention Center
Sacramento, CA



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LEGISLATIVE UPDATE

By Cliff Berg

The California Legislature finished its 2025 Legislative session on Sept. 12 and began its fall recess. It is scheduled to continue the 2nd year of the two-year legislative session on Jan. 5. During the final month of the session, the legislature sent California Gov. Gavin Newsom over 900 bills. The governor signed 794 of the 917 bills sent to his desk and vetoed 123, for a 13.4% veto rate – down a bit from 15.7% last year.

As usual, a number of large issues only came together in the closing days of the legislative session, arguably with little public information or opportunity for public input. The biggest issue was a deal on the state's cap-and-trade climate program, which provided a blueprint for spending billions of dollars on climate-related programs. They expanded the state's wildfire liability fund, loosened environmental laws in Kern County to get more oil pumping, and expanded California's place in a western regional energy market. The legislature passed a package of bills responding to widespread federal immigration sweeps, requiring that officers identify themselves, limiting immigration enforcement in health care facilities and on campuses, and prohibiting law enforcement officers from wearing face masks.

The legislature saw a large raft of bills introduced this year to regulate artificial intelligence. A significant number was held in committee or made two-year bills. The governor did sign SB 243, which will require tech companies that create artificial intelligence chatbots to clearly inform users that the bot is not human, and AB 1064 aimed at protecting children from chatbots. AI chatbots were a particular area of concern in the legislature. The governor vetoed SB 7, which would have limited employers' use of AI in making employment-related decisions.



It was a successful year for CAC in Sacramento. Given that progressive Democrats control both houses of the legislature with supermajorities, CAC was able to work constructively with legislators of both parties to secure positive outcomes for its legislative priorities. CAC members should recognize that, despite progressive Democratic majorities, engagement, and relationship-building impact how policymakers view the industry. There is a substantial difference in how many lawmakers view proposed bills if they impact people that they know. If they do not have a relationship, it is much harder to get them to take a critical view of a colleague's bill. Knowing versus not knowing a constituent or business in their district is critically important in how legislators reach decisions.

“Now is the time for CAC members to bring forward ideas for sponsored bills for next year.”

By taking the time to participate in CAC's Annual Conference and Legislative Day – or by meeting with legislators in your district – CAC members can make a real impact. The legislature has finished its work in Sacramento, and the members are back in their districts for the rest of the fall. Now is the perfect time to connect with legislators: schedule an appointment in their district

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office, join a breakfast club, go to a town hall, or set up a visit to your office.

I am pleased to report that CAC not only worked hard this year to stop or fix harmful bills but was also proactive in sponsoring legislation and changes in the law to improve your business environment. CAC sponsored AB 78 (Chen) this year to increase attorney fees for the prevailing party in actions brought on book accounts. AB 78 passed both Houses of the Legislature and was signed by the governor. The increases will take effect January 1, 2026.

“Now is the perfect time to connect with legislators: schedule an appointment in their district office, join a breakfast club, go to a town hall, or set up a visit to your office.”

CAC has been working for over a year on cleanup ideas to SB 1061 (Limón) regarding credit reporting of medical debt and SB 1286 (Minn), which extended the Rosenthal Act to certain commercial debt. AB 1521 contains language that clarifies that the notice requirements of SB 1061, required in a contract creating a medical debt only, apply to a written contract. This clarifies that the notice provisions would not apply when there was no written contract for medical services, such as a patient being brought to a provider in an ambulance because of a medical emergency, or if there never was a written contract with the provider. Language added by AB 1521 also clarifies that a covered commercial debt under SB 1286 does not include either 1) trade credit or 2) certain financing transactions in which the recipient of the financing is a dealer or affiliate of a dealer as defined in Section 282 of the Vehicle Code. AB 1521 was signed by the governor Oct. 1.

Of the thousands of bills introduced this year, SB 706 was CAC's number one priority to oppose. It would have prohibited charged-off consumer debt from being sold or assigned more than one year after the debt was charged off. It would have required a charge-off creditor to notify the consumer when the creditor sells or assigns the charged-off debt. CAC joined several creditor

organizations opposing SB 706. It was scheduled for a hearing before the Senate Judiciary Committee on April 2. The Chair opposed the bill as written and told the author to make it a two-year bill. She pressed for a vote, and after lengthy discussion, a committee member made a motion on the bill, which failed 1-2, falling short of the seven votes needed for passage. It was granted reconsideration, and the author may seek to have conversations with CAC this fall. Senator Hurtado, a Democrat from Bakersfield, authored this bill.

CAC Members have seen a number of bills over the last few years seeking to limit debt collection or sale of student debt by institutions of higher education. Last session, AB 1160, as introduced, would have prohibited institutions of higher education from selling or assigning student debt. CAC was successful in working with the author to amend those provisions out of the bill and insert a requirement that they could only use a California-licensed collection agency. That bill was held last session on the Senate Appropriations Committee. This year, the author of AB 1160 reintroduced it as AB 850. While retaining our agreement not to prohibit the sale or assignment of student debt, the bill this year contained a new provision that limited credit reporting of student debt. However, AB 850 did not make it out of the Assembly this year and was held in the Assembly Appropriations Committee. We expect student debt to remain an issue next year.

The legislature is expressing serious concern over the financial abuse of the elderly in our state. A number of bills were introduced last session, but discussions between consumer groups and financial institutions did not reach an agreement, and the issue was put off until this session. This year, Assemblymember Schiavo introduced AB 909 on behalf of the California Bankers Association. We have followed these bills for potential impacts on the collection industry and saw some need to clarify certain provisions in AB 909, but the author decided to turn it into a two-year bill. We expect discussions to continue during the Fall.

AB 747 (Kalra) enacts the Service of Process Accountability, Reform and Equity (SPARE) Act to strengthen procedural protection for defendants by increasing accountability for process servers, clarifying the standard for substituted service, requiring photographic documentation of service, and enhancing access to post-judgment relief when service is unlawful. It is sponsored and supported by a broad coalition of consumer and legal aid groups. CAC joined a number of

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stakeholders in opposition to this legislation, including the process servers, creditors' bar, and bankers.

CAC and our coalition asked for amendments to address concerns about the bill being overbroad, shifting the burden to the plaintiff to prove service is valid, and changes to definitions, such as reasonable diligence, which would be overly burdensome. The author made significant amendments to AB 747 before it passed that removed opposition from process servers and other stakeholders. CAC remained opposed, seeking further amendments to clarify the application of the bill to existing cases. The governor signed the bill Oct. 10, but there may be a cleanup bill next year.

AB 774 (Bauer-Kahan) makes a number of changes to AB 2837 (Bauer-Kahan) relating to enforcement of judgments. CAC opposed AB 2837 last year. AB 774 represents an agreement between the Creditors Bar and the author/sponsors. Specifically, AB 774 modifies the address verification procedures from last year's bill by adding "a legal pleading" to the list of documents and permits a judgment creditor to file the declarations within 10 – not 5 – days of delivering the declaration to the levying officer, and finally, it expands who can sign the verification declaration. The bill also establishes a procedure for a judgment creditor to reinstate a lien if the debtor successfully used the look-back provisions

of AB 2837. CAC would like to see some additional changes in AB 2837, but these changes are positive. The governor signed AB 774 on Oct. 13.

The legislature returns to Sacramento on Jan. 5 to continue the second year of the legislative session. Members may introduce new bills through February. Two-year bills must pass the House of origin by the end of January. Now is the time for CAC members to bring forward ideas for sponsored bills for next year. If you have suggestions, please let me know or contact our legislative committee. With members of the legislature back in their districts, this is an ideal opportunity to meet with them or their staff to share information about your business and the work you do.

On the regulatory front, CAC has continued to closely monitor the State Department of Financial Protection and Innovation's (DFPI) implementation of state licensing under SB 908. CAC has sent multiple letters to the Commissioner and met with the department and the commissioner regarding issues raised by CAC members on assessments, the examination process, and other issues of concern. We will keep you updated and continue to look for feedback, particularly regarding your experience with the exam process and the impact of the department's assessment on your business. We are interested in knowing how the California process compares with your experience with other states in which you may operate.

ACA CHALLENGES BURDENSOME STATE LAWS IN FEDERAL INITIATIVE

ACA International filed comments in September on state laws that impact the national economy, such as credit reporting restrictions and licensing requirements.

The comments were in response to a new [federal initiative](#) from the Justice Department and National Economic Council to identify problematic state laws and find solutions.

“We welcome the administration’s efforts to examine how state-level regulations may impose unnecessary burdens on interstate commerce, increase costs for small businesses, and reduce access to affordable credit for consumers,” ACA CEO Scott Purcell said in the [comments](#) (PDF).

These efforts include Executive Order 14191: [Unleashing Prosperity Through Deregulation](#), which states that federal agencies should “alleviate unnecessary regulatory burdens placed on the American people.”

ACA also supports Executive Order 14260: [Protecting American Energy from State Overreach](#), which recognizes that state level practices can drive up nationwide costs and undermine American safety.

In its comments, ACA offers several examples of harmful state actions that conflict with federal law and regulations.

“These actions lead to increased costs and burdens for ACA members, their clients who are small businesses, health care providers and financial institutions across the country, and an increase in the cost of credit for consumers,” Purcell said.

Highlights from ACA comments include:

Credit Reporting Restrictions

Fifteen states have enacted laws restricting medical debt credit reporting at varying levels. Laws in Maryland and California are among the most comprehensive for their prohibitions on credit reporting and data furnishing.

ACA noted in its comments that suppressing medical debts from credit reports will hide billions of dollars in debts from creditors in these states.

These credit reports conveying information about medical bills are a critical part of the process to ensure that health care providers are fairly paid for their services.

“The economic consequences of unpaid medical bills impact the market for physicians, available services, whether services can be provided before payment in full, the speed of insurance payments, and the ability of small non-corporate providers to stay in business – which is essential to ensure that rural areas have health care,” Purcell said.

It’s critical for states to consider that transparency regarding unpaid medical bills also helps creditors accurately assess a person’s ability to repay other debts or take on new debt.

Many state laws also conflict with language in a decision from the U.S. District Court for the Eastern District of Texas that vacated the Consumer Financial Protection Bureau’s final rule on medical debt credit reporting.

As the court made clear, the same principles that hold that a federal regulation cannot supersede a federal statute dictate that a “just as an agency cannot prohibit what a federal statute explicitly permits, neither can a state law.”

Local Bank Requirements

Several state licensing laws require an in-state bank account to deposit payments received from residents of that state, including Arizona, Nevada, Connecticut, and North Carolina. In certain states, collection agencies are required to open a local bank account to be licensed to collect debt in that state. This makes it overly complex to collect debts across state lines, which ultimately leads to an increased cost of credit, ACA notes in its comments.

ACA asks the administration to consider changes at the state level in line with federal debanking efforts, such as an executive order to prevent banks from denying services to customers.

Privacy, Data Security and Artificial Intelligence

Federal law should preempt state privacy laws. In its comments, ACA said the GLBA should be amended to consider modern technology in ways that can benefit both businesses and consumers, such as allowing financial institutions to email annual information about data privacy to consumers rather than distributing the information via mail.

Members of Congress also recently concluded a

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public input request on federal data privacy legislation allowing stakeholders, including ACA, to provide feedback on the issue and whether to update current laws.

Mailing physical privacy notices, as required by the GLBA, is wasteful and obsolete. Most customers interact with their banks online and simply throw these boilerplate letters away, ACA said. These notices should be delivered by email, which is more efficient and reflects how consumers actually receive information today.

The GLBA should preempt state laws where definitions of personal data include financial information. It should also govern all aspects of individual privacy related to data collected by financial institutions, including website data such as cookies and usage metrics, ACA said.

For more information on ACA's input on state laws, read the complete comments (PDF) [here](#).

Red Tape Hotline

The U.S. Small Business Administration Office of Advocacy launched the Red Tape Hotline for small businesses to provide feedback on federal regulations impacting their operations.

The [Red Tape Hotline](#) is tied to federal Executive Orders 14192 and 14219 on regulation and "reflect a strong commitment to reducing red tape, empowering small businesses, and fostering economic growth through smart regulations," according to the SBA's First 100 Days report.

ACA members are encouraged to use this resource as well as contact ACA with concerns to help inform comments on federal and state issues.

Members can submit an item to the hotline by emailing redtape@sba.gov or calling (800) 827-5722 and selecting option 3. Contact our advocacy team as well at advocacy@acainternational.org.

CALIFORNIA DFPI SEEKS COMMENTS ON LICENSING REGULATION UPDATES

The updates focus on the scope and document retention requirements of the Debt Collection Licensing Act.

California's Department of Financial Protection and Innovation has released a third round of edits to regulations under the Debt Collection Licensing Act (DCLA) available for public comment.

Background

On Aug. 29, 2021, the DFPI sought comments on potential rulemaking. On July 15, 2022, the commissioner released a draft text on the scope, annual report, and document retention requirements of the DCLA for public comment prior to initiating formal rulemaking. On Nov. 9, 2023, the commissioner released a second draft text for comment.

Regulations concerning annual report requirements were approved on March 4, 2025, and became effective July 1, 2025.

This draft of [proposed regulations](#) (PDF) concerns only the scope and document retention requirements of the DCLA.

Proposed changes include definitions of law firm, employee, and "engaging in the business of debt collection," as well as additions to the scope of licensing requirements and to document retention.

Comments, including on the potential financial impact of the draft regulations, are due by Dec. 12, 2025.

Comments may be submitted electronically to regulations@dfpi.ca.gov. Include "PRO 05-21" in the subject line.

Mail comments to:

Department of Financial Protection and Innovation
Legal Division

Attn: Diana Pha, Regulations Coordinator
651 Bannon Street, Suite 300
Sacramento, CA 95811

Contact Emily Gallagher, senior counsel, at emily.gallagher@dfpi.ca.gov for questions regarding the comment request. Find more information in the Invitation for [Comments](#) (PDF).

For licensing questions, visit Collectors Insurance Agency's webpage or contact Collectors Insurance Agency's licensing team at (952) 926-6547 or licensing@acainternational.org.

Remember, subscribe to ACA Daily and Member Alerts under your [My ACA Assistant profile](#) when logged in to acainternational.org.

CALIFORNIA ENACTS AI OVERSIGHT LAW

The law builds on a state report on AI guardrails and is expected to set a precedent as other states consider AI legislation.

California Gov. Gavin Newsom signed legislation on Sept. 29 establishing state oversight of the use, review, and governance of artificial intelligence systems.

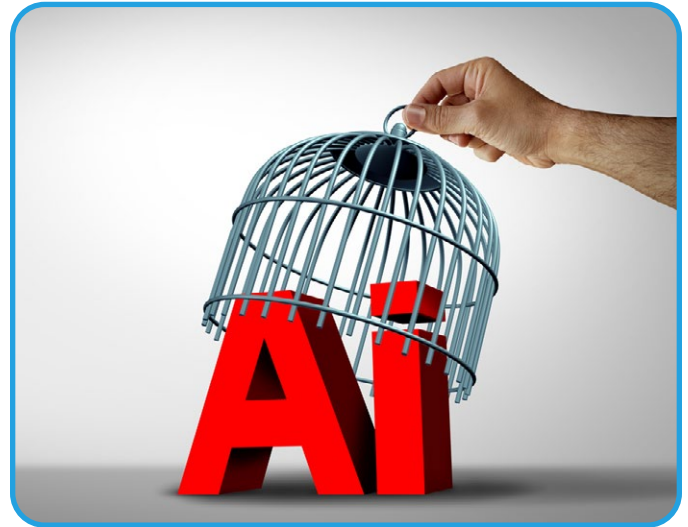
“California has proven that we can establish regulations to protect our communities while also ensuring that the growing AI industry continues to thrive,” Newsom said in a [news release](#). “This legislation strikes that balance. AI is the new frontier in innovation, and California is not only here for it – but stands strong as a national leader by enacting the first-in-the-nation frontier AI safety legislation that builds public trust as this emerging technology rapidly evolves.”

The [Frontier Artificial Intelligence Act](#), sponsored by State Sen. Scott Wiener, D-San Francisco, has five components, according to the news release.

- **Transparency.** “Requires large frontier developers to publicly publish a framework on its website describing how the company has incorporated national standards, international standards, and industry-consensus best practices into its frontier AI framework.”
- **Innovation.** “Establishes a new consortium within the Government Operations Agency to develop a framework for creating a public computing cluster. The consortium, called CalCompute, will advance the development and deployment of artificial intelligence that is safe, ethical, equitable, and sustainable by fostering research and innovation.”
- **Safety.** “Creates a new mechanism for frontier AI companies and the public to report potential critical safety incidents to California’s Office of Emergency Services.”
- **Accountability.** “Protects whistleblowers who disclose significant health and safety risks posed by frontier models, and creates a civil penalty for noncompliance, enforceable by the Attorney General’s office.”
- **Responsiveness.** “Directs the California Department of Technology to annually recommend appropriate updates to the law based on multistakeholder input, technological developments, and international standards.”

The law builds on recommendations from the state’s report on reasonable guardrails for AI.

“With a technology as transformative as AI, we have



a responsibility to support that innovation while putting in place commonsense guardrails to understand and reduce risk,” Wiener said. “With this law, California is stepping up, once again, as a global leader on both technology innovation and safety.”

National Precedent

Newsom was expected to sign AI legislation in California this year, joining several states with laws on the books:

- Illinois has a law taking effect on Jan. 1, 2026, prohibiting employers from using AI tools in hiring and training decisions that lead to discrimination based on a protected class.
- Maryland requires employers to be transparent and have employee consent before using AI tools in the hiring process.
- Texas has a law similar to the one in Illinois that is taking effect on Jan. 1.
- Colorado’s AI Act – now taking effect June 30, 2026, according to a PYMNTS article – focuses on “high risk” AI systems used in hiring and housing decisions, for example. Employers and other users of the AI systems will be required to have risk-management programs, conduct annual assessments and notify consumers when AI plays a role in significant decision making, according to the article. Colorado’s law is also a guiding light other states’ AI legislation, it reports.

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Federal AI Activity

Members of Congress continue to focus on AI legislation and regulations. In July, U.S. Rep. French Hill, R-Ark., chair of the House Financial Services Committee, introduced the bipartisan [Unleashing AI Innovation in Financial Services Act \(H.R. 4801\)](#) (PDF).

The bill reflects recommendations from the congressional Bipartisan Task Force on Artificial Intelligence and the House Financial Services Committee's bipartisan working group dedicated to AI.

The Trump administration also recently released "Winning the AI Race: America's AI Action Plan," highlighting the importance of supporting AI projects through regulatory sandboxes.

U.S. Sens. Josh Hawley, R-Mo., and Dick Durbin, D-Ill., introduced the [Aligning Incentives for Leadership,](#)

[Excellence, and Advancement in Development \(AI LEAD\) Act](#) on Sept. 30, proposing to classify artificial intelligence systems as "products" under the law.

A bipartisan bill also released in July would impact the use of artificial intelligence and offshoring in customer service and call centers, [ACA International previously reported](#).

CALIFORNIA UNIT SECURES IMPORTANT CLARIFICATIONS TO MEDICAL DEBT CREDIT REPORTING LAW

The amendments are included in the state's judiciary omnibus bill, which was approved by the governor Oct. 1.

Important clarifications on medical debt credit reporting in California are now in place thanks to over a year of efforts by the California Association of Collectors Inc. (CAC).

Gov. Gavin Newsom signed [AB 1521](#), the judiciary omnibus bill, on Oct. 1, finalizing the updates to medical debt credit reporting requirements.

Those requirements were initially passed in California SB 1061 and signed into law by Newsom in September 2024.

Specifically, the omnibus bill clarifies that the notice requirements in SB 1061 required in a contract creating a medical debt only apply to a written agreement, according to Cliff Berg, CAC's lobbyist, in a recent edition of Collector's Ink.

"This clarifies that the notice provisions do not apply when there is no written contract for medical services, such as when a patient is brought to a provider in an ambulance during an emergency," Berg said.



Overall, SB 1061 defines medical debt as "a debt owed by a consumer to a person whose primary business is providing medical services, products, or devices, or to the person's agent or assignee, for the provision of medical services, products, or devices. Medical debt includes, but is not limited to, medical bills that are not past due or that have been paid."

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As a refresher, it also:

- Prohibits a consumer credit reporting agency or an investigative consumer reporting agency from making a consumer credit report or an investigative consumer report containing information about medical debt, as defined.
- Prohibits a person who uses a consumer credit report in connection with a credit transaction from using medical debt listed on the report as a negative factor when making a credit decision.
- Prohibits a person from furnishing information regarding a medical debt to a consumer credit reporting agency and makes a medical debt void and unenforceable if a person knowingly violates this provision by furnishing information regarding the medical debt to a consumer credit reporting agency.
- Requires a contract creating a medical debt entered into on or after July 1, 2025, to include a term describing these requirements, as specified, and makes a violation of these provisions by a person holding a license or permit issued by the

state to be deemed to be a violation of the law governing that license or permit.

Commercial Debt Clarifications

Berg also reported the CAC focused on changes to [SB 1286](#), which expands the application of the Rosenthal Fair Debt Collection Practices Act to commercial debt, as part of the judiciary omnibus bill.

Language in the judiciary omnibus bill “also clarifies that a covered commercial debt under (SB) 1286 does not include either trade credit or certain financing transactions in which the recipient of the financing is a dealer or affiliate of a dealer as defined in Section 282 of the Vehicle Code,” according to Berg.

For more state and federal advocacy updates, members are invited to register and join the weekly [ACA Huddle](#) at 11 a.m. CDT on Wednesdays. ACA also provides updates to [State Guide Cohort subscribers](#) in a monthly webinar series.