

## Featuring BizFinLaw

November 1, 2024 |

CounselorLibrary is proud to offer *BizFinLaw*, a legal reporter to help providers of business finance navigate the evolving landscape of state and federal law. Subscribers of *BizFinLaw* can stay up to date on legal developments that impact the small business finance industry, including:

- Track state and federal legislation;
- Follow state and federal regulatory actions;
- Receive alerts regarding new court decisions; and
- Legal news and industry events.

*BizFinLaw* is powered by Hudson Cook, LLP's deep knowledge of consumer financial services laws and where those laws intersect with small business finance. Our Editors in Chief, Kate Fisher and Robert Gage, have been on the forefront of small business finance legal developments. Here is a round-up of recent developments reported in *BizFinLaw*:

### Federal Developments

In *Texas Bankers Association v. Consumer Financial Protection Bureau*, the U.S. District Court for the Southern District of Texas denied a summary judgment motion by the Texas Bankers Association and other plaintiffs to set aside the CFPB's final small business lending data collection rule under § 1071 of the Dodd-Frank Act (15 U.S.C. § 1691c-2). See the "Litigation" section below for more information.

### State Developments

California SB 1286 passed the state legislature and was signed into law by Governor Gavin Newsom. We reported on this bill in September. The new law expands the scope of the Rosenthal Fair Debt Collection Practices Act to cover collection of some commercial-purpose debts beginning on January 1, 2025. The RFDCPA applies to anyone collecting a covered debt, including a person collecting the person's own debts in the person's own name. Although much of the RFDCPA overlaps with the federal Fair Debt Collection Practices Act, the RFDCPA imposes some additional requirements, including additional disclosures in certain situations.

California [SB 1482](#) failed to pass the state legislature before the end of the legislative session. The bill's original version would have required certain providers of commercial financing to obtain licenses under the California Financing Law beginning on January 1, 2026. Amendments changed the licensing requirement to a registration requirement and imposed substantive restrictions on certain commercial financing transactions, and the last amendment eliminated the registration requirement, leaving only the substantive restrictions.

Missouri [SB 1359](#) passed the state legislature and was signed into law by Governor Mike Parson. We [reported](#) on this bill, along with the start of implementation of Connecticut's commercial financing disclosure law, in July. The new law requires disclosures by providers of sales-based financing and commercial-purpose closed-end and open-end loans. A provider is subject to the law if the provider originates more than five commercial financing transactions with businesses located in Missouri in a calendar year. Transactions of more than \$500,000 are exempt. The law does not require disclosure of estimated or actual APR. Brokers must register with the Division of Finance of the Missouri Department of Commerce and Insurance and file surety bonds. The registration and bonding requirements do not apply to providers. The law will take effect six months after the Division of Finance finalizes rules under the law or on February 28, 2025, if it does not intend to promulgate rules.

### **Significant Litigation**

In [Texas Bankers Association v. Consumer Financial Protection Bureau](#), the U.S. District Court for the Southern District of Texas denied a summary judgment motion by the Texas Bankers Association and other plaintiffs to set aside the CFPB's final small business lending data collection rule under § 1071 of the Dodd-Frank Act (15 U.S.C. § 1691c-2). The court also granted the CFPB's motion for summary judgment. The plaintiffs had argued that the promulgation of the SBL rule violated the Administrative Procedure Act. Specifically, the plaintiffs had argued (among other things) that the CFPB exceeded its statutory authority under § 1071 by expanding the 13 data points mentioned in § 1071 to 81 data points. The court responded that the CFPB had added only nine data points, not 68, and that the list of data points in § 1071 is not exhaustive. The plaintiffs have stated that they plan to appeal the ruling to the U.S. Court of Appeals for the Fifth Circuit.

For a personal guided tour and free trial of *BizFinLaw*, please contact Michael Willer (614-855-0505 or [mwiller@counselorlibrary.com](mailto:mwiller@counselorlibrary.com)).

Hudson Cook, LLP provides articles, webinars and other content on its website from time to time provided both by attorneys with Hudson Cook, LLP, and by other outside authors, for information purposes only. Hudson Cook, LLP does not warrant the accuracy or completeness of the content, and has no duty to correct or update information contained on its website. The views and opinions contained in the content provided on the Hudson Cook, LLP website do not constitute the views and opinion of the firm. Such content does not constitute legal advice from such authors or from Hudson Cook, LLP. For legal advice

on a matter, one should seek the advice of counsel.

**SUBSCRIBE TO INSIGHTS**

# HUDSON COOK

Hudson Cook, LLP is a national law firm representing the financial services industry in compliance, privacy, litigation, regulatory and enforcement matters.

7037 Ridge Road, Suite 300, Hanover, Maryland 21076  
410.684.3200

**[hudsoncook.com](https://www.hudsoncook.com)**

© Hudson Cook, LLP. All rights reserved. Privacy Policy | Legal Notice  
Attorney Advertising: Prior Results Do Not Guarantee a Similar Outcome

