



CALIFORNIA
BANKERS
ASSOCIATION


Legislative Update

Kevin Gould, President & CEO

Jason Lane, SVP & Director of Government Relations

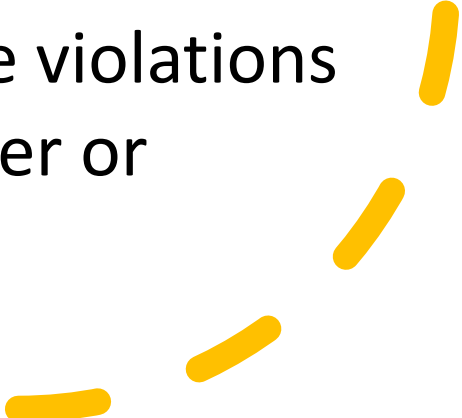
Vanessa Lugo, Senior Legislative Advocate

Legislative Session Status

- August 31 – Legislature adjourns
 - September 30 – Governor's signature/veto
 - November 5 – Presidential general election
 - December 2 – Legislative org. session
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Financial Abuse of Elder and Dependent Adults

SB 278 (Dodd)

- Requires establishment of an emergency financial contact program and outreach when financial abuse is suspected
 - Mandates a delay on certain transactions for three business days
 - Significant penalties for multiple violations involving the same accountholder or reckless disregard
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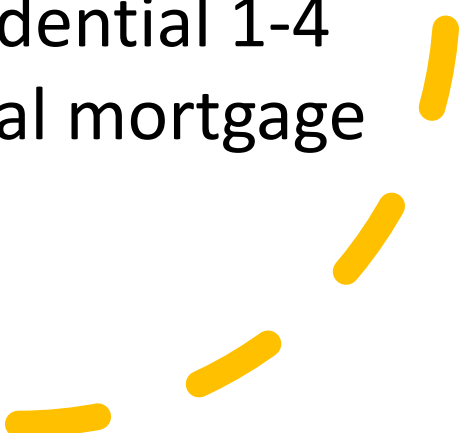
Foreclosure - Equity Sales

AB 2424 (Schiavo)

- Allows a borrower to establish a trusted contact at loan origination or during pre-foreclosure due diligence
- Delays a trustee's sale by 45 days if a borrower submits a valid listing agreement and 45 days if there is a bona fide purchase agreement
- Requires an initial trustee's sale to establish sales price @ 2/3rds of value

Loan Assumption - Dissolution of Marriage

AB 3100 (Low)

- Codifies GSE servicing guidelines for loan assumptions for dissolution of marriage
 - Starting 1.1.27 must include a provision allowing co-borrower assumption
 - Applies to owner-occupied, residential 1-4 real property with a conventional mortgage
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Automated Decision Tools

AB 2930 (Bauer-Kahan)

- Requires annual impact assessments to be conducted by developers and deployers
- Applies to various activities and industries, including financial services
- Subsequently narrowed to consequential decisions involving employment
- Prohibits algorithmic discrimination

Frontier Artificial Intelligence

SB 1047 (Wiener)

- Requires AI model developers and those training models to establish safeguards that prevent critical harms
- Establishes a state entity to oversee the development of these models
- Requires a developer to submit a statement of compliance to the AG

California Privacy Rights Act

- CPPA rulemaking effort underway on cyber audits, risk assessments and ADS
- Board meeting on 11.8.24
- Awaiting approval and submission to OAL



Client Trust Account Reporting

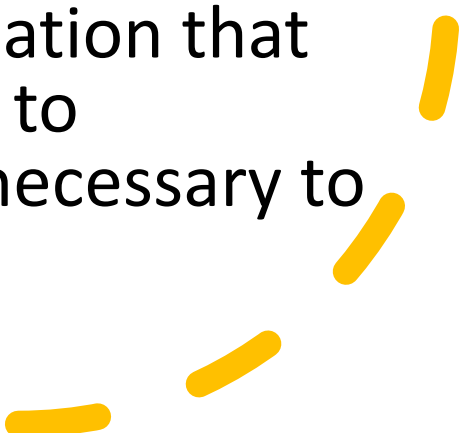
AB 3279 (Judiciary)

- Requires annual reporting by FIs on client trust accounts starting 3.1.26
- Includes data points, like attorney license number, account balance as of 12.31, etc.
- FIs must collect attorney license number on new CTAs established on or after 1.1.26
- Immunity for discharging or failing to discharge duties

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Employer Communication – Intimidation

SB 399 (Wahab)

- Prohibits an employer from subjecting an employee to discharge, discrimination, retaliation because the employee declines to attend an employer-sponsored meeting about employer's opinion on religious or political matters
 - Excludes communicating information that the employer is required by law to communicate and information necessary to perform job duties
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Federal Legislation & Regulation

- SAFE/SAFER Banking Act, Durbin 2.0, etc.
- CRA modernization and DFA 1071 small business lending reporting litigation
- Proposed rulemaking on capital (Basel III), brokered deposits, and the FHFA review of FHLB @ 100

Thank you!



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