

California Expands Scope of Rosenthal Fair Debt Collection Act to Certain Commercial Debts, by Richard J. Perr, Esq., Monica M. Littman, Esq., and Dominic Borelli, Esq., 11-6-2024

On September 24, 2024, California Governor Gavin Newsom signed Senate Bill 1286 into law, broadening the scope of California's Rosenthal Fair Debt Collection Act ("Rosenthal Act") to include certain commercial transactions.

Today, the Rosenthal Act prohibits debt collectors from engaging in unfair or deceptive debt collection acts or practices when collecting consumer debt. On July 1, 2025, the effective date of Senate Bill 1286, the purview of the Rosenthal Act will expand to most commercial debt where the total amount owed by the debtor to the lender is \$500,000 or less. Senate Bill 1286 states that the provisions of the Rosenthal Act will apply to covered commercial debt entered into, renewed, sold or assigned on or after July 1, 2025.

For more information on compliance with the Rosenthal Fair Debt Collection Practices Act and Fair Debt Collection Practices Act, please contact Kaufman Dolowich's Financial Services & Institutions Practice Group.