

**Assembly Bill No. 502**

**CHAPTER 425**

An act to amend Sections 22101 and 22103 of, and to add Section 22101.5 to, the Financial Code, relating to finance lenders.

[Approved by Governor September 30, 2005. Filed with  
Secretary of State September 30, 2005.]

**LEGISLATIVE COUNSEL'S DIGEST**

**AB 502, Cogdill. Finance lenders: criminal history record checks.**

Existing law, the California Finance Lenders Law, provides for the licensure and regulation of finance lenders by the Commissioner of Corporations. Under that law, a licensure applicant is required to provide information specified by the commissioner and to pay a fee for the investigation of the application.

This bill would also require a licensure applicant who is not currently licensed under the California Finance Lenders Law to submit a full set of fingerprints and related information to the commissioner for a criminal history record check. The bill would require the applicant to pay an additional amount to cover the costs of a criminal history record check by the Department of Justice.

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

**SECTION 1.** Section 22101 of the Financial Code is amended to read:

22101. (a) An application for a license under this division shall be in the form and contain the information that the commissioner may by rule require and shall be filed upon payment of the fee specified in Section 22103.

(b) Notwithstanding any other provision of law, an applicant who does not currently hold a license under this division shall furnish with his or her application, a full set of fingerprints and related information for purposes of the commissioner conducting a criminal history record check. The commissioner shall obtain and receive criminal history information from the Department of Justice and the Federal Bureau of Investigation pursuant to Section 22101.5.

(c) Nothing in this section shall be construed to prevent a licensee from engaging in the business of a finance lender through a subsidiary corporation if the subsidiary corporation is licensed pursuant to this division.

(d) For purposes of this section, "subsidiary corporation" means a corporation that is wholly owned by a licensee.

(e) A new application shall not be required for a change in the address of an existing location previously licensed under this division. However, the licensee shall comply with the requirements of Section 22153.

SEC. 2. Section 22101.5 is added to the Financial Code, to read:

22101.5. (a) The commissioner shall submit to the Department of Justice fingerprint images and related information required by the Department of Justice of all license candidates, as defined by subdivision (a) of Section 22101, for purposes of obtaining information as to the existence and content of a record of state or federal convictions, state or federal arrests, and information as to the existence and content of a record of state or federal arrests for which the Department of Justice establishes that the person is free on bail or on his or her own recognizance pending trial or appeal.

(b) When received, the Department of Justice shall forward to the Federal Bureau of Investigation requests for federal summary criminal history information received pursuant to this section. The Department of Justice shall review the information returned from the Federal Bureau of Investigation and compile and disseminate a response to the commissioner.

(c) The Department of Justice shall provide a response to the commissioner pursuant to paragraph (1) of subdivision (p) of Section 11105 of the Penal Code.

(d) The commissioner shall request from the Department of Justice subsequent arrest notification service, as provided pursuant to Section 11105.2 of the Penal Code, for license candidates described in subdivision (a).

(e) The Department of Justice shall charge a fee sufficient to cover the costs of processing the requests pursuant to this section.

(f) This section shall become operative on July 1, 2006.

SEC. 3. Section 22103 of the Financial Code is amended to read:

22103. At the time of filing the application, the applicant shall pay to the commissioner the sum of one hundred dollars (\$100) as a fee for investigating the application, plus the cost of fingerprint processing and the criminal history record check under Section 22101.5, and two hundred dollars (\$200) as an application fee. The investigation fee, including the amount for the criminal history record check, and the application fee are not refundable if an application is denied or withdrawn.