

DuaneMorris®

[www.duanemorris.com](http://www.duanemorris.com)

# Legal Update CAPPS 2025 Legislative Policy Conference

Edward Cramp & Kristina Gill  
Duane Morris LLP

## Today's Agenda

- U.S. Department of Education
- Impact on California “Filling in the Gaps”
- NC SARA Reciprocity
- California Finance/ Lending Registration
- Questions/Discussion

## Federal Overview

- U.S. Department of Education
  - Gainful Employment
    - *American Association of Cosmetology Schools (“AACCS”)*
    - *Ogle*
  - *BDR:*
    - *Career Colleges and Schools of Texas (“CCST”)*
  - 150% Rule
    - *American Massage Therapy Association (“AMTA”)*
    - *360 Degree Education Coalition*

## Federal Overview

- U.S. Department of Education
  - Executive Orders
  - Investigations
  - Reduction in force (RIF)
  - Reorganization

## California Impact

- Impact on California “Filling in the Gaps”
  - Stricter Enforcement
  - State Agency Actions
    - BPPE
    - CSAAVE
  - State AG Collaboration
  - Third Party Facilitators

## NC SARA

- California SB 790
- NC SARA Reciprocity
  - 32 Proposals Submitted During the 2025 SARA Policy Modification Process Submission Period
  - Public Comment Period
    - The public may view the 32 proposals on the SARA Policy Portal from the [Participate in SARA Policy Modifications webpage](#).
    - First deadline for public comments on proposed SARA policy modifications is April 7, 2025
  - Public Policy Forum April 25, 2025
  - Proposal submitters will have the opportunity to amend or withdraw proposals during the period March 6, 2025, to June 2, 2025
  - Public Comment Period
    - Second deadline for public comments on proposed SARA policy modifications is July 7, 2025

## California Consumer Finance Protection Law

- Passed in 2020
- To "protect California residents from "unfair financial practices"
  - Areas previously unregulated in CA
- Created the Department of Financial Protection and Innovation
  - Modeled after the federal Consumer Financial Protection Bureau
  - DFPI enforce laws against unfair, deceptive or abusive practices

## Education Financing under the CFPL

- Credit extended for the purpose of funding postsecondary education
  - Very broad
  - It appears to include letting students make payments in school, even without interest charges
- Includes financing for tuition, fees, books and supplies, room and board, transportation and misc. personal expenses
- Providers must have registered with DFPI by Feb 15, 2025

## Registration with DFPI

- Links on the DFPI website
- Managed through National Multistate Licensing System & Registry
- Annual report must be filed
- DFPI is responding to email requests asking for exemption
- Failure to register is bad

## Questions and Discussion