(How Does it Affect Vendor Spiffs)

"I was wondering with this new law taking effect on January 1, 2016.............. how does this affect vendor programs where there may be spiff’s or the vendor get the application or the docs signed."

(Name Withheld)

(If it is a referral and the vendor gets a fee or commission, and is not licensed, you as the funder have to write a letter to the lessee or borrower that the vendor is getting a referral fee, as well as report to the Department of Business Oversight, perhaps in a quarterly or yearly report. Editor)

Part of the New Law:
(22603. A licensee that is a finance lender shall provide a prospective borrower who has been referred by an unlicensed person the following written statement, in 10-point font or larger, at the time the licensee receives an application for a commercial loan, and shall require the prospective borrower to acknowledge receipt of the statement in writing:

(“You have been referred to us by [Name of Unlicensed Person]. If you are approved for the loan, we may pay a fee to [Name of Unlicensed Person] for the successful referral. [Licensee], and not [Name of Unlicensed Person] is the sole party authorized to offer a loan to you. You should ensure that you understand any loan offer we may extend to you before agreeing to the loan terms. If you wish to report a complaint about this loan transaction, you may contact the Department of Business Oversight at 1-866-ASK-CORP (1-866-275-2677), or file your complaint online at www.dbo.ca.gov.”

http://leginfo.legislature.ca.gov/faces/billCompareClient.xhtml?bill_id=201520160SB197