

## **(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://www.dbo.ca.gov)."  
[http://leginfo.legislature.ca.gov/faces/billCompareClient.xhtml?bill\\_id=2015  
20160SB197](http://leginfo.legislature.ca.gov/faces/billCompareClient.xhtml?bill_id=201520160SB197)