



January 22, 2019

Commissioner Jan Lynn Owen  
Department of Business Oversight, Legal Division  
Attn: Mark Dyer, Regulations Coordinator  
1515 K Street, Suite 200  
Sacramento, CA 95814-4052

Re: **FILE NO: PRO 01-18**

Dear Commissioner Owen:

This letter is being submitted on behalf of Fora Financial West, LLC ("Fora Financial West") in response to the Department of Business Oversight's Invitation for Comments in relation to SB 1235. We appreciate the Department providing an opportunity to comment on this matter and considering our input and that of interested stakeholders.

Fora Financial West is a licensed California Finance Lender and Broker and helps to provide financing to small businesses. We are also an active member of the Small Business Finance Association ("SBFA") and join in the SBFA's response to the Department.

Regarding the Department's responsibility to adopt regulations governing certain disclosures, we recognize the merits of implementing a more uniform standard of disclosure across the commercial financing industry. Fora Financial West's business practices are geared toward making our funding process as seamless and transparent for our customers as possible. Most importantly, we believe that customers should understand the costs of financing in order to make informed financial decisions. We acknowledge that a standardized annual rate disclosure calculation would help to accomplish this goal, particularly when making comparisons across various product offerings.

With respect to the correct standard of calculation for an annual rate disclosure, we support the SBFA's position that the Annualized Cost of Capital ("ACC") would be the preferred method over an APR. The ACC is a more straightforward calculation that takes into account the variances between commercial and consumer finance products, such as shorter payment term and frequency of payments, whereas the APR is a more complex and confusing calculation that is geared toward longer-term consumer products. Rather than adopting an existing standard of APR that has often proved to be confusing and complicated to calculate, the Department has an

opportunity to select a new standard that is more accurately tailored to commercial finance products and will provide a simple and straightforward method of calculation.

We are hopeful that the Department will take this feedback and that of the SBFA and other stakeholders under advisement. Thank you again for your consideration.

Sincerely,

A handwritten signature in black ink, appearing to read "Ilyssa B. Raiman". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Ilyssa B. Raiman  
General Counsel