

**Introduced by Senator Durazo  
(Coauthor: Senator Allen)**

February 21, 2025

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An act to amend Section 7159 of the Business and Professions Code, and to amend Sections 1689.6, 1689.7, and 1689.13 of, and to add Title 1.87 (commencing with Section 1799.220) to Part 4 of Division 3 of, the Civil Code, relating to consumer credit.

LEGISLATIVE COUNSEL'S DIGEST

SB 784, as introduced, Durazo. Home improvement loans: right to cancel contracts.

(1) Existing law generally regulates various types of consumer credit contracts and transactions, including consumer loans, home solicitation contracts and offers, and home improvement businesses and contracts.

This bill would regulate home improvement loans. The bill would require a lender to take specified actions before a consumer executes a contract for a home improvement loan, including obtaining oral confirmation of key terms of the home improvement loan contract, as defined and specified. The bill would require a lender that offers or provides a home improvement loan to make certain information available to the consumer or the property owner, as specified, and would prescribe how a lender must respond to requests for information from a consumer. The bill would prohibit a consumer's repayment obligations under a home improvement loan until the lender has taken specified actions. The bill would prohibit a lender making a home improvement loan from providing cash or material value to a third party in excess of the actual price charged by that third party.

(2) Existing law authorizes a buyer who cancels certain home solicitation contracts or offers until midnight of the 3rd business day

after the day on which the buyer signs an agreement or offer to purchase that complies with specified requirements. Existing law authorizes a buyer to cancel a home solicitation contract written for certain home improvement work until midnight of the 3rd business day after the buyer receives a signed and dated copy of the contract or offer to purchase that complies with specified requirements. Existing law requires contracts for a home solicitation contract or offer to include a notice of cancellation form with specified statements as to the buyer's right to cancel. Existing law permits a buyer to provide a seller an express waiver to this right to cancel, if the contract meets other specified requirements.

Existing law requires specific provisions and requirements for home improvement contracts, as defined, that are not governed by the provisions described above. Existing law requires these contracts to include a notice regarding the buyer's 3-day right to cancel.

Existing law provides an alternate 5-day period of time to cancel the contracts or offers described above if the buyer or property owner is a senior citizen, as defined, for contracts entered into, or offers to purchase conveyed, on or after January 1, 2021.

This bill would extend those 3-day and 5-day periods to 5-day and 7-day periods, respectively. The bill would also make conforming changes. The bill would apply these new extended periods to transactions on or after January 1, 2026.

Vote: majority. Appropriation: no. Fiscal committee: yes.  
State-mandated local program: no.

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

- 1 SECTION 1. Section 7159 of the Business and Professions
- 2 Code is amended to read:
- 3 7159. (a) (1) This section identifies the projects for which a
- 4 home improvement contract is required, outlines the contract
- 5 requirements, and lists the items that shall be included in the
- 6 contract, or may be provided as an attachment.
- 7 (2) This section does not apply to service and repair contracts
- 8 that are subject to Section 7159.10, if the contract for the applicable
- 9 services complies with Sections 7159.10 to 7159.14, inclusive.
- 10 (3) This section does not apply to the sale, installation, and
- 11 servicing of a fire alarm sold in conjunction with an alarm system,
- 12 as defined in Section 7590.1, if all costs attributable to making the

1 fire alarm system operable, including sale and installation costs,  
2 do not exceed five hundred dollars (\$500), and the licensee  
3 complies with the requirements set forth in Section 7159.9.

4 (4) This section does not apply to any costs associated with  
5 monitoring a burglar or fire alarm system.

6 (5) Failure by the licensee, their agent or salesperson, or by a  
7 person subject to be licensed under this chapter, to provide the  
8 specified information, notices, and disclosures in the contract, or  
9 to otherwise fail to comply with any provision of this section, is  
10 cause for discipline.

11 (b) For purposes of this section, “home improvement contract”  
12 means an agreement, whether oral or written, or contained in one  
13 or more documents, between a contractor and an owner or between  
14 a contractor and a tenant, regardless of the number of residence  
15 or dwelling units contained in the building in which the tenant  
16 resides, if the work is to be performed in, to, or upon the residence  
17 or dwelling unit of the tenant, for the performance of a home  
18 improvement, as defined in Section 7151, and includes all labor,  
19 services, and materials to be furnished and performed thereunder,  
20 if the aggregate contract price specified in one or more  
21 improvement contracts, including all labor, services, and materials  
22 to be furnished by the contractor, exceeds five hundred dollars  
23 (\$500). “Home improvement contract” also means an agreement,  
24 whether oral or written, or contained in one or more documents,  
25 between a salesperson, whether or not they are a home  
26 improvement salesperson, and an owner or a tenant, regardless of  
27 the number of residence or dwelling units contained in the building  
28 in which the tenant resides, which provides for the sale, installation,  
29 or furnishing of home improvement goods or services.

30 (c) In addition to the specific requirements listed under this  
31 section, every home improvement contract and any person subject  
32 to licensure under this chapter or their agent or salesperson shall  
33 comply with all of the following:

34 (1) The writing shall be legible.

35 (2) Any printed form shall be readable. Unless a larger typeface  
36 is specified in this article, text in any printed form shall be in at  
37 least 10-point typeface and the headings shall be in at least 10-point  
38 boldface type.

39 (3) (A) Before any work is started, the contractor shall give the  
40 buyer a copy of the contract signed and dated by both the contractor

1 and the buyer. The buyer's receipt of the copy of the contract  
2 initiates the buyer's rights to cancel the contract pursuant to  
3 Sections 1689.5 to 1689.14, inclusive, of the Civil Code.

4 (B) The contract shall contain on the first page, in a typeface  
5 no smaller than that generally used in the body of the document,  
6 both of the following:

7 (i) The date the buyer signed the contract.

8 (ii) The name and address of the contractor to which the  
9 applicable "Notice of Cancellation" is to be mailed, immediately  
10 preceded by a statement advising the buyer that the "Notice of  
11 Cancellation" may be sent to the contractor at the address noted  
12 on the contract.

13 (4) The contract shall include a statement that, upon satisfactory  
14 payment being made for any portion of the work performed, the  
15 contractor, prior to any further payment being made, shall furnish  
16 to the person contracting for the home improvement or swimming  
17 pool work a full and unconditional release from any potential lien  
18 claimant claim or mechanics lien authorized pursuant to Sections  
19 8400 and 8404 of the Civil Code for that portion of the work for  
20 which payment has been made.

21 (5) A change-order form for changes or extra work shall be  
22 incorporated into the contract and shall become part of the contract  
23 only if it is in writing and signed by the parties prior to the  
24 commencement of any work covered by a change order.

25 (6) The contract shall contain, in close proximity to the  
26 signatures of the owner and contractor, a notice stating that the  
27 owner or tenant has the right to require the contractor to have a  
28 performance and payment bond.

29 (7) If the contract provides for a contractor to furnish joint  
30 control, the contractor shall not have any financial or other interest  
31 in the joint control.

32 (8) The provisions of this section are not exclusive and do not  
33 relieve the contractor from compliance with any other applicable  
34 provision of law.

35 (d) A home improvement contract and any changes to the  
36 contract shall be in writing and signed by the parties to the contract  
37 prior to the commencement of work covered by the contract or an  
38 applicable change order and, except as provided in paragraph (8)  
39 of subdivision (a) of Section 7159.5, shall include or comply with  
40 all of the following:

1 (1) The name, business address, and license number of the  
2 contractor.

3 (2) If applicable, the name and registration number of the home  
4 improvement salesperson that solicited or negotiated the contract.

5 (3) The following heading on the contract form that identifies  
6 the type of contract in at least 10-point boldface type: “Home  
7 Improvement.”

8 (4) The following statement in at least 12-point boldface type:  
9 “You are entitled to a completely filled in copy of this agreement,  
10 signed by both you and the contractor, before any work may be  
11 started.”

12 (5) The heading: “Contract Price,” followed by the amount of  
13 the contract in dollars and cents.

14 (6) If a finance charge will be charged, the heading: “Finance  
15 Charge,” followed by the amount in dollars and cents. The finance  
16 charge is to be set out separately from the contract amount.

17 (7) The heading: “Description of the Project and Description  
18 of the Significant Materials to be Used and Equipment to be  
19 Installed,” followed by a description of the project and a description  
20 of the significant materials to be used and equipment to be installed.  
21 For swimming pools, the project description required under this  
22 paragraph also shall include a plan and scale drawing showing the  
23 shape, size, dimensions, and the construction and equipment  
24 specifications.

25 (8) If a downpayment will be charged, the details of the  
26 downpayment shall be expressed in substantially the following  
27 form, and shall include the text of the notice as specified in  
28 subparagraph (C):

29 (A) The heading: “Downpayment.”

30 (B) A space where the actual downpayment appears.

31 (C) The following statement in at least 12-point boldface type:

32  
33 “THE DOWNPAYMENT MAY NOT EXCEED \$1,000 OR 10  
34 PERCENT OF THE CONTRACT PRICE, WHICHEVER IS  
35 LESS.”  
36

37 (9) If payments, other than the downpayment, are to be made  
38 before the project is completed, the details of these payments,  
39 known as progress payments, shall be expressed in substantially

1 the following form, and shall include the text of the statement as  
2 specified in subparagraph (C):

3 (A) A schedule of progress payments shall be preceded by the  
4 heading: "Schedule of Progress Payments."

5 (B) Each progress payment shall be stated in dollars and cents  
6 and specifically reference the amount of work or services to be  
7 performed and materials and equipment to be supplied.

8 (C) The section of the contract reserved for the progress  
9 payments shall include the following statement in at least 12-point  
10 boldface type:

11  
12 "The schedule of progress payments must specifically describe  
13 each phase of work, including the type and amount of work or  
14 services scheduled to be supplied in each phase, along with the  
15 amount of each proposed progress payment. IT IS AGAINST THE  
16 LAW FOR A CONTRACTOR TO COLLECT PAYMENT FOR  
17 WORK NOT YET COMPLETED, OR FOR MATERIALS NOT  
18 YET DELIVERED. HOWEVER, A CONTRACTOR MAY  
19 REQUIRE A DOWNPAYMENT."

20  
21 (10) The contract shall address the commencement of work to  
22 be performed in substantially the following form:

23 (A) A statement that describes what constitutes substantial  
24 commencement of work under the contract.

25 (B) The heading: "Approximate Start Date."

26 (C) The approximate date on which work will be commenced.

27 (11) The estimated completion date of the work shall be  
28 referenced in the contract in substantially the following form:

29 (A) The heading: "Approximate Completion Date."

30 (B) The approximate date of completion.

31 (12) If applicable, the heading: "List of Documents to be  
32 Incorporated into the Contract," followed by the list of documents  
33 incorporated into the contract.

34 (13) The heading: "Note About Extra Work and Change Orders,"  
35 followed by the following statement:

36  
37 "Extra Work and Change Orders become part of the contract  
38 once the order is prepared in writing and signed by the parties prior  
39 to the commencement of work covered by the new change order.  
40 The order must describe the scope of the extra work or change,

1 the cost to be added or subtracted from the contract, and the effect  
2 the order will have on the schedule of progress payments.”

3  
4 (e) Except as provided in paragraph (8) of subdivision (a) of  
5 Section 7159.5, all of the following notices shall be provided to  
6 the owner as part of the contract form as specified or, if otherwise  
7 authorized under this subdivision, may be provided as an  
8 attachment to the contract:

9 (1) A notice concerning commercial general liability insurance.  
10 This notice may be provided as an attachment to the contract if  
11 the contract includes the following statement: “A notice concerning  
12 commercial general liability insurance is attached to this contract.”  
13 The notice shall include the heading “Commercial General Liability  
14 Insurance (CGL),” followed by whichever of the following  
15 statements is both relevant and correct:

16 (A) “(The name on the license or ‘This contractor’) does not  
17 carry commercial general liability insurance.”

18 (B) “(The name on the license or ‘This contractor’) carries  
19 commercial general liability insurance written by (the insurance  
20 company). You may call (the insurance company) at \_\_\_\_\_  
21 \_\_\_\_\_ to check the contractor’s insurance coverage.”

22 (C) “(The name on the license or ‘This contractor’) is  
23 self-insured.”

24 (D) “(The name on the license or ‘This contractor’) is a limited  
25 liability company that carries liability insurance or maintains other  
26 security as required by law. You may call (the insurance company  
27 or trust company or bank) at \_\_\_\_\_ to check on the contractor’s  
28 insurance coverage or security.”

29 (2) A notice concerning workers’ compensation insurance. This  
30 notice may be provided as an attachment to the contract if the  
31 contract includes the statement: “A notice concerning workers’  
32 compensation insurance is attached to this contract.” The notice  
33 shall include the heading “Workers’ Compensation Insurance”  
34 followed by whichever of the following statements is correct:

35 (A) “(The name on the license or ‘This contractor’) has no  
36 employees and is exempt from workers’ compensation  
37 requirements.”

38 (B) “(The name on the license or ‘This contractor’) carries  
39 workers’ compensation insurance for all employees.”

1 (3) A notice that provides the buyer with the following  
2 information about the performance of extra or change-order work:

3 (A) A statement that the buyer may not require a contractor to  
4 perform extra or change-order work without providing written  
5 authorization prior to the commencement of work covered by the  
6 new change order.

7 (B) A statement informing the buyer that extra work or a change  
8 order is not enforceable against a buyer unless the change order  
9 also identifies all of the following in writing prior to the  
10 commencement of work covered by the new change order:

11 (i) The scope of work encompassed by the order.

12 (ii) The amount to be added or subtracted from the contract.

13 (iii) The effect the order will make in the progress payments or  
14 the completion date.

15 (C) A statement informing the buyer that the contractor's failure  
16 to comply with the requirements of this paragraph does not  
17 preclude the recovery of compensation for work performed based  
18 upon legal or equitable remedies designed to prevent unjust  
19 enrichment.

20 (4) A notice with the heading "Mechanics Lien Warning" written  
21 as follows:

22  
23 "MECHANICS LIEN WARNING:  
24

25 Anyone who helps improve your property, but who is not paid,  
26 may record what is called a mechanics lien on your property. A  
27 mechanics lien is a claim, like a mortgage or home equity loan,  
28 made against your property and recorded with the county recorder.

29 Even if you pay your contractor in full, unpaid subcontractors,  
30 suppliers, and laborers who helped to improve your property may  
31 record mechanics liens and sue you in court to foreclose the lien.  
32 If a court finds the lien is valid, you could be forced to pay twice  
33 or have a court officer sell your home to pay the lien. Liens can  
34 also affect your credit.

35 To preserve their right to record a lien, each subcontractor and  
36 material supplier must provide you with a document called a  
37 'Preliminary Notice.' This notice is not a lien. The purpose of the  
38 notice is to let you know that the person who sends you the notice  
39 has the right to record a lien on your property if they are not paid.



1 BE CAREFUL. The Preliminary Notice can be sent up to 20  
2 days after the subcontractor starts work or the supplier provides  
3 material. This can be a big problem if you pay your contractor  
4 before you have received the Preliminary Notices.

5 You will not get Preliminary Notices from your prime contractor  
6 or from laborers who work on your project. The law assumes that  
7 you already know they are improving your property.

8 PROTECT YOURSELF FROM LIENS. You can protect  
9 yourself from liens by getting a list from your contractor of all the  
10 subcontractors and material suppliers that work on your project.  
11 Find out from your contractor when these subcontractors started  
12 work and when these suppliers delivered goods or materials. Then  
13 wait 20 days, paying attention to the Preliminary Notices you  
14 receive.

15 PAY WITH JOINT CHECKS. One way to protect yourself is  
16 to pay with a joint check. When your contractor tells you it is time  
17 to pay for the work of a subcontractor or supplier who has provided  
18 you with a Preliminary Notice, write a joint check payable to both  
19 the contractor and the subcontractor or material supplier.

20 For other ways to prevent liens, visit CSLB's internet website  
21 at [www.cslb.ca.gov](http://www.cslb.ca.gov) or call CSLB at 800-321-CSLB (2752).

22 REMEMBER, IF YOU DO NOTHING, YOU RISK HAVING  
23 A LIEN PLACED ON YOUR HOME. This can mean that you  
24 may have to pay twice, or face the forced sale of your home to pay  
25 what you owe.”

26  
27 (5) The following notice shall be provided in at least 12-point  
28 typeface:

29  
30 “Information about the Contractors State License Board (CSLB):  
31 CSLB is the state consumer protection agency that licenses and  
32 regulates construction contractors.

33 Contact CSLB for information about the licensed contractor you  
34 are considering, including information about disclosable  
35 complaints, disciplinary actions, and civil judgments that are  
36 reported to CSLB.

37 Use only licensed contractors. If you file a complaint against a  
38 licensed contractor within the legal deadline (usually four years),  
39 CSLB has authority to investigate the complaint. If you use an  
40 unlicensed contractor, CSLB may not be able to help you resolve

1 your complaint. Your only remedy may be in civil court, and you  
2 may be liable for damages arising out of any injuries to the  
3 unlicensed contractor or the unlicensed contractor's employees.

4 For more information:

5 Visit CSLB's internet website at [www.cslb.ca.gov](http://www.cslb.ca.gov)

6 Call CSLB at 800-321-CSLB (2752)

7 Write CSLB at P.O. Box 26000, Sacramento, CA 95826."

8  
9 (6) (A) The notice set forth in subparagraph (B) and entitled  
10 ~~"Three-Day~~ *"Five-Day* Right to Cancel," or entitled ~~"Five-Day~~  
11 *"Seven-Day* Right to Cancel" for contracts with a senior citizen,  
12 shall be provided to the buyer unless the contract is:

13 (i) Negotiated at the contractor's place of business.

14 (ii) Subject to the "Seven-Day Right to Cancel," as set forth in  
15 paragraph (7).

16 (iii) Subject to licensure under the Alarm Company Act (Chapter  
17 11.6 (commencing with Section 7590)), provided the alarm  
18 company licensee complies with Sections 1689.5, 1689.6, and  
19 1689.7 of the Civil Code, as applicable.

20  
21 (B) (i) ~~"Three-Day~~ *"Five-Day* Right to Cancel

22 You, the buyer, have the right to cancel this contract within ~~three~~  
23 *five* business days. You may cancel by emailing, mailing, faxing,  
24 or delivering a written notice to the contractor at the contractor's  
25 place of business by midnight of the ~~third~~ *fifth* business day after  
26 you received a signed and dated copy of the contract that includes  
27 this notice. Include your name, your address, and the date you  
28 received the signed copy of the contract and this notice.

29 If you cancel, the contractor must return to you anything you  
30 paid within 10 days of receiving the notice of cancellation. For  
31 your part, you must make available to the contractor at your  
32 residence, in substantially as good condition as you received them,  
33 goods delivered to you under this contract or sale. Or, you may,  
34 if you wish, comply with the contractor's instructions on how to  
35 return the goods at the contractor's expense and risk. If you do  
36 make the goods available to the contractor and the contractor does  
37 not pick them up within 20 days of the date of your notice of  
38 cancellation, you may keep them without any further obligation.  
39 If you fail to make the goods available to the contractor, or if you  
40 agree to return the goods to the contractor and fail to do so, then

1 you remain liable for performance of all obligations under the  
2 contract.”

3  
4 (ii) References to “~~three~~” “*five*” and “~~third~~” “*fifth*” in the notice  
5 set forth in clause (i) shall be changed to “~~five~~” “*seven*” and “~~fifth~~,”  
6 “*seventh*” respectively, for a buyer who is a senior citizen.

7 (C) The notice required by this paragraph shall comply with all  
8 of the following:

9 (i) The text of the notice is at least 12-point boldface type.

10 (ii) The notice is in immediate proximity to a space reserved  
11 for the owner’s signature.

12 (iii) The owner acknowledges receipt of the notice by signing  
13 and dating the notice form in the signature space.

14 (iv) The notice is written in the same language, e.g., Spanish,  
15 as that principally used in any oral sales presentation.

16 (v) The notice may be attached to the contract if the contract  
17 includes, in at least 12-point boldface type, a checkbox with one  
18 of the following statements, as applicable:

19 (I) For a contract with a senior citizen: “The law requires that  
20 the contractor give you a notice explaining your right to cancel.  
21 Initial the checkbox if the contractor has given you a ‘Notice of  
22 the ~~Five-Day~~ *Seven-Day* Right to Cancel.’”

23 (II) For all other contracts: “The law requires that the contractor  
24 give you a notice explaining your right to cancel. Initial the  
25 checkbox if the contractor has given you a ‘Notice of the  
26 ~~Three-Day~~ *Five-Day* Right to Cancel.’”

27 (vi) (I) The notice shall be accompanied by a completed form  
28 in duplicate, captioned “Notice of Cancellation,” which also shall  
29 be attached to the agreement or offer to purchase and be easily  
30 detachable, and which shall contain the following statement written  
31 in the same language, e.g., Spanish, as used in the contract:

32  
33 “Notice of Cancellation”

34 /enter date of transaction/  
35 \_\_\_\_\_

36 (Date)  
37

38 “You may cancel this transaction, without any penalty or  
39 obligation, within ~~three~~ *five* business days from the above date.

1 If you cancel, any property traded in, any payments made by  
2 you under the contract or sale, and any negotiable instrument  
3 executed by you will be returned within 10 days following receipt  
4 by the seller of your cancellation notice, and any security interest  
5 arising out of the transaction will be canceled.

6 If you cancel, you must make available to the seller at your  
7 residence, in substantially as good condition as when received,  
8 any goods delivered to you under this contract or sale, or you may,  
9 if you wish, comply with the instructions of the seller regarding  
10 the return shipment of the goods at the seller's expense and risk.

11 If you do make the goods available to the seller and the seller  
12 does not pick them up within 20 days of the date of your notice of  
13 cancellation, you may retain or dispose of the goods without any  
14 further obligation. If you fail to make the goods available to the  
15 seller, or if you agree to return the goods to the seller and fail to  
16 do so, then you remain liable for performance of all obligations  
17 under the contract.”

18  
19 To cancel this transaction, mail or deliver a signed and dated copy of this  
20 cancellation notice, or any other written notice, or send a telegram

21 to \_\_\_\_\_,  
22 /name of seller/

23 at \_\_\_\_\_  
24 /address of seller's place of business/

25 not later than midnight of \_\_\_\_\_.  
26 (Date)

27 I hereby cancel this transaction. \_\_\_\_\_  
28 (Date)

29 \_\_\_\_\_  
30 (Buyer's signature)

31  
32 (II) The reference to ~~“three”~~ *“five”* in the statement set forth in  
33 subclause (I) shall be changed to ~~“five”~~ *“seven”* for a buyer who  
34 is a senior citizen.

35 (7) (A) The following notice entitled “Seven-Day Right to  
36 Cancel” shall be provided to the buyer for any contract that is  
37 written for the repair or restoration of residential premises damaged  
38 by any sudden or catastrophic event for which a state of emergency  
39 has been declared by the President of the United States or the  
40 Governor, or for which a local emergency has been declared by

1 the executive officer or governing body of any city, county, or city  
2 and county:

3  
4 “Seven-Day Right to Cancel

5 You, the buyer, have the right to cancel this contract within seven  
6 business days. You may cancel by emailing, mailing, faxing, or  
7 delivering a written notice to the contractor at the contractor’s  
8 place of business by midnight of the seventh business day after  
9 you received a signed and dated copy of the contract that includes  
10 this notice. Include your name, your address, and the date you  
11 received the signed copy of the contract and this notice.

12 If you cancel, the contractor must return to you anything you  
13 paid within 10 days of receiving the notice of cancellation. For  
14 your part, you must make available to the contractor at your  
15 residence, in substantially as good condition as you received them,  
16 goods delivered to you under this contract or sale. Or, you may,  
17 if you wish, comply with the contractor’s instructions on how to  
18 return the goods at the contractor’s expense and risk. If you do  
19 make the goods available to the contractor and the contractor does  
20 not pick them up within 20 days of the date of your notice of  
21 cancellation, you may keep them without any further obligation.  
22 If you fail to make the goods available to the contractor, or if you  
23 agree to return the goods to the contractor and fail to do so, then  
24 you remain liable for performance of all obligations under the  
25 contract.”

26  
27 (B) The “Seven-Day Right to Cancel” notice required by this  
28 subdivision shall comply with all of the following:

29 (i) The text of the notice is at least 12-point boldface type.

30 (ii) The notice is in immediate proximity to a space reserved  
31 for the owner’s signature.

32 (iii) The owner acknowledges receipt of the notice by signing  
33 and dating the notice form in the signature space.

34 (iv) The notice is written in the same language, e.g., Spanish,  
35 as that principally used in any oral sales presentation.

36 (v) The notice may be attached to the contract if the contract  
37 includes, in at least 12-point boldface type, a checkbox with the  
38 following statement: “The law requires that the contractor give  
39 you a notice explaining your right to cancel. Initial the checkbox

1 if the contractor has given you a 'Notice of the Seven-Day Right  
2 to Cancel.' ”

3 (vi) The notice shall be accompanied by a completed form in  
4 duplicate, captioned “Notice of Cancellation,” which shall also be  
5 attached to the agreement or offer to purchase and be easily  
6 detachable, and which shall contain the following statement written  
7 in the same language, e.g., Spanish, as used in the contract:

8  
9 “Notice of Cancellation”

10 /enter date of transaction/  
11 \_\_\_\_\_

12 (Date)  
13

14 “You may cancel this transaction, without any penalty or  
15 obligation, within seven business days from the above date.

16 If you cancel, any property traded in, any payments made by  
17 you under the contract or sale, and any negotiable instrument  
18 executed by you will be returned within 10 days following receipt  
19 by the seller of your cancellation notice, and any security interest  
20 arising out of the transaction will be canceled.

21 If you cancel, you must make available to the seller at your  
22 residence, in substantially as good condition as when received,  
23 any goods delivered to you under this contract or sale, or you may,  
24 if you wish, comply with the instructions of the seller regarding  
25 the return shipment of the goods at the seller’s expense and risk.

26 If you do make the goods available to the seller and the seller  
27 does not pick them up within 20 days of the date of your notice of  
28 cancellation, you may retain or dispose of the goods without any  
29 further obligation. If you fail to make the goods available to the  
30 seller, or if you agree to return the goods to the seller and fail to  
31 do so, then you remain liable for performance of all obligations  
32 under the contract.”

33  
34 To cancel this transaction, mail or deliver a signed and dated copy of this  
35 cancellation notice, or any other written notice, or send a telegram

36 to \_\_\_\_\_,

37 /name of seller/  
38

39 at \_\_\_\_\_

40 /address of seller’s place of business/

not later than midnight of \_\_\_\_\_.

(Date)

I hereby cancel this transaction.

(Date)

(Buyer's signature)

(f) The five-day right to cancel added by the act that amended paragraph (6) of subdivision (e) shall apply to contracts entered into on or after January 1, 2021.

(g) *The five-day and seven-day rights to cancel added by the act in the 2024–25 Regular Session of the Legislature that amended paragraph (6) of subdivision (e) shall apply to contracts entered into on or after January 1, 2026.*

SEC. 2. Section 1689.6 of the Civil Code is amended to read:

1689.6. (a) (1) Except for a contract written pursuant to Section 7151.2 or 7159.10 of the Business and Professions Code, in addition to any other right to revoke an offer, the buyer has the right to cancel a home solicitation contract or offer until midnight of the ~~third~~ *fifth* business day, or until midnight of the ~~fifth~~ *seventh* business day if the buyer is a senior citizen, after the day on which the buyer signs an agreement or offer to purchase which complies with Section 1689.7.

(2) In addition to any other right to revoke an offer, the buyer has the right to cancel a home solicitation contract written pursuant to Section 7151.2 of the Business and Professions Code until midnight of the ~~third~~ *fifth* business day, or until midnight of the ~~fifth~~ *seventh* business day if the buyer is a senior citizen, after the buyer receives a signed and dated copy of the contract or offer to purchase that complies with Section ~~1689.7 of this code.~~ *1689.7.*

(3) (A) In addition to any other right to revoke an offer, the buyer has the right to cancel a home solicitation contract or offer to purchase written pursuant to Section 7159.10 of the Business and Professions Code, until the buyer receives a signed and dated copy of a service and repair contract that complies with the contract requirements specified in Section 7159.10 of the Business and Professions Code and the work commences.

(B) For any contract written pursuant to Section 7159.10 of the Business and Professions Code, or otherwise presented to the buyer as a service and repair contract, unless all of the conforming requirements listed under subdivision (a) of that section are met,

1 the requirements set forth under Section 7159 of the Business and  
2 Professions Code shall be applicable, regardless of the aggregate  
3 contract price, including the right to cancel as set forth under this  
4 section.

5 (4) The five-day right to cancel added by the act that amended  
6 paragraphs (1) and (2) shall apply to contracts entered into, or  
7 offers to purchase conveyed, on or after January 1, 2021.

8 (5) *The five-day and seven-day rights to cancel added by the*  
9 *act amending paragraphs (1) and (2) in the 2025–26 Regular*  
10 *Session of the Legislature shall apply to contracts entered into, or*  
11 *offers to purchase conveyed, on or after January 1, 2026.*

12 (b) In addition to any other right to revoke an offer, any buyer  
13 has the right to cancel a home solicitation contract or offer for the  
14 purchase of a personal emergency response unit until midnight of  
15 the seventh business day after the day on which the buyer signs  
16 an agreement or offer to purchase which complies with Section  
17 1689.7. This subdivision shall not apply to a personal emergency  
18 response unit installed with, and as part of, a home security alarm  
19 system subject to the Alarm Company Act (Chapter 11.6  
20 (commencing with Section 7590) of Division 3 of the Business  
21 and Professions Code) which has two or more stationary protective  
22 devices used to enunciate an intrusion or fire and is installed by  
23 an alarm company operator operating under a current license issued  
24 pursuant to the Alarm Company Act, which shall instead be subject  
25 to subdivision (a).

26 (c) In addition to any other right to revoke an offer, a buyer has  
27 the right to cancel a home solicitation contract or offer for the  
28 repair or restoration of residential premises damaged by a disaster  
29 that was not void pursuant to Section 1689.14, until midnight of  
30 the seventh business day after the buyer signs and dates the contract  
31 unless the provisions of Section 1689.15 are applicable.

32 (d) Cancellation occurs when the buyer gives written notice of  
33 cancellation to the seller at the address specified in the agreement  
34 or offer.

35 (e) Notice of cancellation, if given by mail, is effective when  
36 deposited in the mail properly addressed with postage prepaid.

37 (f) Notice of cancellation given by the buyer need not take the  
38 particular form as provided with the contract or offer to purchase  
39 and, however expressed, is effective if it indicates the intention of



1 the buyer not to be bound by the home solicitation contract or  
2 offer.

3 (g) “Personal emergency response unit,” for purposes of this  
4 section, means an in-home radio transmitter device or two-way  
5 radio device generally, but not exclusively, worn on a neckchain,  
6 wrist strap, or clipped to clothing, and connected to a telephone  
7 line through which a monitoring station is alerted of an emergency  
8 and emergency assistance is summoned.

9 SEC. 3. Section 1689.7 of the Civil Code is amended to read:

10 1689.7. (a) (1) Except for contracts written pursuant to  
11 Sections 7151.2 and 7159.10 of the Business and Professions Code,  
12 in a home solicitation contract or offer, the buyer’s agreement or  
13 offer to purchase shall be written in the same language, e.g.,  
14 Spanish, as principally used in the oral sales presentation, shall be  
15 dated, shall be signed by the buyer, and except as provided in  
16 paragraph (2), shall contain in immediate proximity to the space  
17 reserved for the buyer’s signature, a conspicuous statement in a  
18 size equal to at least 10-point boldface type, as follows:

19 (A) For a buyer who is a senior citizen: “You, the buyer, may  
20 cancel this transaction at any time prior to midnight of the ~~fifth~~  
21 *seventh* business day after the date of this transaction. See the  
22 attached notice of cancellation form for an explanation of this  
23 right.”

24 (B) For all other buyers: “You, the buyer, may cancel this  
25 transaction at any time prior to midnight of the ~~third~~ *fifth* business  
26 day after the date of this transaction. See the attached notice of  
27 cancellation form for an explanation of this right.”

28 (2) The statement required pursuant to this subdivision for a  
29 home solicitation contract or offer for the purchase of a personal  
30 emergency response unit, as defined in Section 1689.6, that is not  
31 installed with and as part of a home security alarm system subject  
32 to the Alarm Company Act (Chapter 11.6 (commencing with  
33 Section 7590) of Division 3 of the Business and Professions Code)  
34 that has two or more stationary protective devices used to enunciate  
35 an intrusion or fire and is installed by an alarm company operator  
36 operating under a current license issued pursuant to the Alarm  
37 Company Act, is as follows: “You, the buyer, may cancel this  
38 transaction at any time prior to midnight of the seventh business  
39 day after the date of this transaction. See the attached notice of  
40 cancellation form for an explanation of this right.”

(3) Except for contracts written pursuant to Sections 7151.2 and 7159.10 of the Business and Professions Code, the statement required pursuant to this subdivision for the repair or restoration of residential premises damaged by a disaster pursuant to subdivision (c) of Section 1689.6 is as follows: “You, the buyer, may cancel this transaction at any time prior to midnight of the seventh business day after the date of this transaction. See the attached notice of cancellation form for an explanation of this right.”

(4) (A) A home solicitation contract written pursuant to Section 7151.2 of the Business and Professions Code shall be written in the same language, e.g., Spanish, as principally used in the oral sales presentation. The contract, or an attachment to the contract that is subject to Section 7159 of the Business and Professions Code shall include in immediate proximity to the space reserved for the buyer’s signature, the following statement in a size equal to at least 12-point boldface type, which shall be dated and signed by the buyer:

~~“Three-Day~~ “*Five-Day* Right to Cancel

You, the buyer, have the right to cancel this contract within ~~three~~ *five* business days. You may cancel by e-mailing, mailing, faxing, or delivering a written notice to the contractor at the contractor’s place of business by midnight of the ~~third~~ *fifth* business day after you received a signed and dated copy of the contract that includes this notice. Include your name, your address, and the date you received the signed copy of the contract and this notice.

If you cancel, the contractor must return to you anything you paid within 10 days of receiving the notice of cancellation. For your part, you must make available to the contractor at your residence, in substantially as good condition as you received it, any goods delivered to you under this contract or sale. Or, you may, if you wish, comply with the contractor’s instructions on how to return the goods at the contractor’s expense and risk. If you do make the goods available to the contractor and the contractor does not pick them up within 20 days of the date of your notice of cancellation, you may keep them without any further obligation. If you fail to make the goods available to the contractor, or if you agree to return the goods to the contractor and fail to do

1 so, then you remain liable for performance of all obligations under  
2 the contract.”

3 (B) References to ~~“three”~~ *“five”* and ~~“third”~~ *“fifth”* in the  
4 statement set forth in subparagraph (A) shall be changed to ~~“five”~~  
5 *“seven”* and ~~“fifth,”~~ *“seventh,”* respectively, for a buyer who is  
6 a senior citizen.

7 (b) The agreement or offer to purchase shall contain on the first  
8 page, in a type size no smaller than that generally used in the body  
9 of the document, the following: (1) the name and address of the  
10 seller to which the notice is to be mailed, and (2) the date the buyer  
11 signed the agreement or offer to purchase.

12 (c) (1) Except for contracts written pursuant to Sections 7151.2  
13 and 7159.10 of the Business and Professions Code, or except as  
14 provided in subdivision (d), the agreement or offer to purchase  
15 shall be accompanied by a completed form in duplicate, captioned  
16 “Notice of Cancellation” which shall be attached to the agreement  
17 or offer to purchase and be easily detachable, and which shall  
18 contain in type of at least 10-point the following statement written  
19 in the same language, e.g., Spanish, as used in the contract:

20  
21 “Notice of Cancellation”

22 /enter date of transaction/  
23

24 \_\_\_\_\_  
25 (Date)

26 “You may cancel this transaction, without any penalty or  
27 obligation, within ~~three~~ *five* business days from the above date.

28 If you cancel, any property traded in, any payments made by  
29 you under the contract or sale, and any negotiable instrument  
30 executed by you will be returned within 10 days following receipt  
31 by the seller of your cancellation notice, and any security interest  
32 arising out of the transaction will be canceled.

33 If you cancel, you must make available to the seller at your  
34 residence, in substantially as good condition as when received,  
35 any goods delivered to you under this contract or sale, or you may,  
36 if you wish, comply with the instructions of the seller regarding  
37 the return shipment of the goods at the seller’s expense and risk.

38 If you do make the goods available to the seller and the seller  
39 does not pick them up within 20 days of the date of your notice of  
40 cancellation, you may retain or dispose of the goods without any

1 further obligation. If you fail to make the goods available to the  
2 seller, or if you agree to return the goods to the seller and fail to  
3 do so, then you remain liable for performance of all obligations  
4 under the contract.”

5  
6 To cancel this transaction, mail or deliver a signed and dated copy of this  
7 cancellation notice, or any other written notice, or send a telegram  
8 to \_\_\_\_\_,  
9 \_\_\_\_\_/name of seller/  
10 at \_\_\_\_\_  
11 \_\_\_\_\_/address of seller’s place of business/  
12 not later than midnight of \_\_\_\_\_ .  
13 (Date)

14 I hereby cancel this transaction. \_\_\_\_\_  
15 (Date)

16 \_\_\_\_\_  
17 (Buyer’s signature)  
18

19 (2) The reference to ~~“three”~~ *“five”* in the statement set forth in  
20 paragraph (1) shall be changed to ~~“five”~~ *“seven”* for a buyer who  
21 is a senior citizen.

22 (d) Any agreement or offer to purchase a personal emergency  
23 response unit, as defined in Section 1689.6, which is not installed  
24 with and as part of a home security alarm system subject to the  
25 Alarm Company Act which has two or more stationary protective  
26 devices used to enunciate an intrusion or fire and is installed by  
27 an alarm company operator operating under a current license issued  
28 pursuant to the Alarm Company Act, shall be subject to the  
29 requirements of subdivision (c), and shall be accompanied by the  
30 “Notice of Cancellation” required by subdivision (c), except that  
31 the first paragraph of that notice shall be deleted and replaced with  
32 the following paragraph:

33 You may cancel this transaction, without any penalty or  
34 obligation, within seven business days from the above date.

35 (e) A home solicitation contract written pursuant to Section  
36 7151.2 of the Business and Professions Code for the repair or  
37 restoration of residential premises damaged by a disaster that is  
38 subject to subdivision (c) of Section 1689.6, shall be written in the  
39 same language, e.g., Spanish, as principally used in the oral sales  
40 presentation. The contract, or an attachment to the contract that is

1 subject to Section 7159 of the Business and Professions Code shall  
2 include, in immediate proximity to the space reserved for the  
3 buyer's signature, the following statement in a size equal to at least  
4 12-point boldface type, which shall be signed and dated by the  
5 buyer:

6  
7 "Seven-Day Right to Cancel  
8

9 You, the buyer, have the right to cancel this contract within seven  
10 business days. You may cancel by e-mailing, mailing, faxing, or  
11 delivering a written notice to the contractor at the contractor's  
12 place of business by midnight of the seventh business day after  
13 you received a signed and dated copy of the contract that includes  
14 this notice. Include your name, your address, and the date you  
15 received the signed copy of the contract and this notice.

16 If you cancel, the contractor must return to you anything you  
17 paid within 10 days of receiving the notice of cancellation. For  
18 your part, you must make available to the contractor at your  
19 residence, in substantially as good condition as you received it,  
20 any goods delivered to you under this contract or sale. Or, you  
21 may, if you wish, comply with the contractor's instructions on  
22 how to return the goods at the contractor's expense and risk. If  
23 you do make the goods available to the contractor and the  
24 contractor does not pick them up within 20 days of the date of your  
25 notice of cancellation, you may keep them without any further  
26 obligation. If you fail to make the goods available to the contractor,  
27 or if you agree to return the goods to the contractor and fail to do  
28 so, then you remain liable for performance of all obligations under  
29 the contract."

30 (f) The seller shall provide the buyer with a copy of the contract  
31 or offer to purchase and the attached notice of cancellation, and  
32 shall inform the buyer orally of the buyer's right to cancel and the  
33 requirement that cancellation be in writing, at the time the home  
34 solicitation contract or offer is executed.

35 (g) Until the seller has complied with this section the buyer may  
36 cancel the home solicitation contract or offer.

37 (h) "Contract or sale" as used in subdivision (c) means "home  
38 solicitation contract or offer" as defined by Section 1689.5.

39 (i) The five-day right to cancel added by the act that added  
40 subparagraph (A) to paragraph (1) and subparagraph (B) to

paragraph (4) of subdivision (a), and paragraph (2) to subdivision (c) applies to contracts, or offers to purchase conveyed, entered into, on or after January 1, 2021.

(j) *The five-day and seven-day rights to cancel added by the act in the 2025–26 Regular Session of the Legislature that amended subdivisions (a) and (c) apply to contracts entered into, or offers to purchase conveyed, on or after January 1, 2026.*

SEC. 4. Section 1689.13 of the Civil Code is amended to read: 1689.13. Sections 1689.5, 1689.6, 1689.7, 1689.10, 1689.12, and 1689.14 do not apply to a contract that meets all of the following requirements:

(a) The contract is initiated by the buyer or the buyer’s agent or insurance representative.

(b) The contract is executed in connection with making of emergency or immediately necessary repairs that are necessary for the immediate protection of persons or real or personal property.

(c) (1) The buyer gives the seller a separate statement that is dated and signed that describes the situation that requires immediate remedy, and expressly acknowledges and waives the right to cancel the sale within ~~three, five, or seven business days, whichever applies.~~ *the applicable time period.*

(2) The waiver of the five-day right to cancel added by the act that amended paragraph (1) shall apply to contracts entered into, or offers to purchase conveyed, on or after January 1, 2021.

(3) *The waiver of the five-day and seven-day rights to cancel added by the act in the 2025–26 Regular Session of the Legislature that amended paragraph (1) applies to contracts entered into, or offers to purchase conveyed, on or after January 1, 2026.*

SEC. 5. Title 1.87 (commencing with Section 1799.220) is added to Part 4 of Division 3 of the Civil Code, to read:

#### TITLE 1.87. HOME IMPROVEMENT LOANS

1799.220. For purposes of this title:

(a) “Consumer” has the same meaning as defined in Section 4052 of the Financial Code.

(b) “Consumer loan” has the same meaning as defined in Section 22203 of the Financial Code.

(c) “Home improvement” has the same meaning as defined in Section 7151 of the Business and Professions Code.

1 (d) “Home improvement contract” has the same meaning as  
2 defined in Section 7159 of the Business and Professions Code.

3 (e) (1) “Home improvement loan” means a consumer loan that  
4 will be disbursed to a contractor in connection with a home  
5 solicitation contract to finance a home improvement.

6 (2) “Home improvement loan” does not include a PACE  
7 assessment.

8 (f) “Home solicitation contract” has the same meaning as defined  
9 in Section 1689.5.

10 (g) “PACE assessment” has the same meaning as defined in  
11 Section 22015 of the Financial Code.

12 (h) “Solar energy system” has the same meaning as defined in  
13 Section 7151 of the Business and Professions Code.

14 1799.221. (a) Except as provided in subdivision (b), a  
15 consumer’s repayment obligations under a home improvement  
16 loan, including, but not limited to, payments, fees, penalties, and  
17 interest, shall not commence until the lender has done either of the  
18 following:

19 (1) Confirmed that all home improvements financed in whole  
20 or in part by the home improvement loan have been given final  
21 approval by all permitting agencies and the consumer confirms,  
22 orally and in writing, that the improvements are operational.

23 (2) Completed a reasonable investigation and determined that  
24 all home improvements are operational.

25 (b) If the home improvement is a solar energy system, a  
26 consumer’s repayment obligations under a home improvement  
27 loan shall not commence until the lender confirms that the utility  
28 supplying electricity to the property has been connected to the  
29 solar energy system and has granted permission to operate the  
30 solar energy system, and the consumer confirms, orally and in  
31 writing, that the solar energy system is operating.

32 (c) A lender shall not report a home improvement loan to a  
33 credit reporting agency or record a financing statement in  
34 connection with the home improvement loan until the consumer  
35 repayment obligations have commenced pursuant to this section.

36 1799.222. A lender making a home improvement loan shall  
37 not provide any direct or indirect cash payment or other thing of  
38 material value to a third party in excess of the actual price charged  
39 by that third party for the home improvement financed by the home  
40 improvement loan.

1 1799.223. In a dispute arising out of a home solicitation  
2 wherein a home improvement loan is obtained, a consumer may  
3 assert against the lender a claim or defense available to the  
4 consumer against a contractor, salesperson, or broker.

5 1799.224. (a) For purposes of this section:

6 (1) “Key terms” means the material terms of the home  
7 improvement loan, including, but not limited to, all of the  
8 following:

9 (A) What home improvements are being financed.

10 (B) The name of the contractor who will receive the loan  
11 proceeds.

12 (C) The loan term or period of time for repayment.

13 (D) The total cost of the loan.

14 (E) The monthly payment amounts

15 (F) The finance charge and due dates.

16 (G) Whether the amount of monthly payments due will change  
17 during the term of the loan.

18 (H) The annual percentage rate of interest.

19 (I) How late fees may be incurred.

20 (J) How payments more than the minimum payment will be  
21 applied.

22 (K) Whether there are any prepayment penalties.

23 (L) When the first payment is due.

24 (2) “Their own interpreter” means a person who meets all of  
25 the following conditions:

26 (A) The person is not a minor

27 (B) The person is able to speak fluently and read with full  
28 understanding both the English language and any of the languages  
29 specified in Section 1632 of the Civil Code.

30 (C) The person is not employed by, and whose services are not  
31 made available through, the lender or the contractor.

32 (b) (1) Before a consumer executes a contract for a home  
33 improvement loan to pay for a home improvement and before the  
34 right-to-cancel time period expires for a home improvement  
35 contract that is being financed by a home improvement loan, the  
36 lender shall do all of the following:

37 (A) Obtain a copy of the home improvement contract for the  
38 home improvement that is being financed by the home  
39 improvement loan.



1 (B) Complete and document a telephone, video, or digital call  
2 with the consumer, or an authorized representative of the consumer  
3 to obtain oral confirmations about both of the following:

4 (i) All owners of the property have received a copy of the home  
5 improvement loan contract, with the key terms completed, the  
6 financing estimate and disclosure form required under the federal  
7 Truth in Lending Act, and the right-to-cancel form.

8 (ii) The key terms of the home improvement loan contract, in  
9 plain language, with the consumer on the call or to a verified  
10 authorized representative of the consumer on the call, and an  
11 acknowledgment from the consumer on the call to whom the oral  
12 confirmation is given.

13 (C) Determine with reasonable certainty that the consumer, or  
14 an authorized representative of the consumer, understands the  
15 terms of the home improvement loan contract.

16 (2) (A) At the commencement of the oral confirmation required  
17 by subparagraph (B) of paragraph (1), the lender shall ask if the  
18 consumer on the call would prefer to communicate during the oral  
19 confirmation primarily in a language other than English that is  
20 specified in Section 1632 of the Civil Code. If the preferred  
21 language is supported by the lender, the oral confirmation shall be  
22 given in that primary language, except where the consumer on the  
23 call chooses to communicate through their own interpreter. If the  
24 preferred language is not supported and an interpreter is not chosen  
25 by the consumer on the call, the home improvement loan contract  
26 shall not proceed.

27 (B) The oral confirmation required pursuant to subparagraph  
28 (B) of paragraph (1) shall include, but is not limited to, all of the  
29 following information:

30 (i) The consumer on the call has the right to have other persons  
31 present for the call, and an inquiry as to whether the consumer  
32 requests to exercise the right to include anyone else on the call.  
33 This shall occur at the onset of the call, after the determination of  
34 the preferred language of communication. The contractor or  
35 contractor salesperson, or both, for the home improvements being  
36 financed by the loan shall not be present during or participate in  
37 the call. A third party shall not be allowed to participate in the call  
38 unless expressly authorized by the consumer.

1 (ii) The consumer on the call is informed that they should review  
2 the home improvement loan and financing estimate and disclosure  
3 form with all other owners of the property.

4 (iii) The home improvements being installed that are being  
5 financed by the home improvement loan, including, but not limited  
6 to, the description of the home improvements as described in the  
7 home improvement contract.

8 (iv) The key terms of the home improvement loan.

9 (v) Confirmation of the consumer's gross monthly household  
10 income and ability to pay the monthly payment amount and total  
11 cost.

12 (vi) The consumer understands that any estimates of cost savings  
13 from the home improvements are not guaranteed and may be  
14 unreliable.

15 (vii) Whether the property will be subject to a financing  
16 statement filing requirement, as specified in Section 9501 of the  
17 Commercial Code, during the term of the loan contract and that  
18 the obligations under the loan contract may be required to be paid  
19 in full before the property owner sells or refinances the property.

20 (viii) Confirmation of the identity of the consumer, including  
21 their email address, that they have signed a home improvement  
22 loan with the lender, and if the lender will send communications  
23 to the borrower through email, confirmation that the consumer is  
24 able to access email.

25 (3) The lender shall maintain a recording of the oral confirmation  
26 required by subparagraph (B) of paragraph (1) for at least five  
27 years after the loan term ends and shall make it available to the  
28 consumer upon request.

29 (c) If the oral confirmation required by this section was  
30 conducted primarily in a language other than English that is  
31 specified in Section 1632 of the Civil Code, the lender shall deliver  
32 in writing to the consumer, in the language used during the oral  
33 confirmation, the disclosures and contract or agreement required  
34 by law, including, but not limited to, all of the following:

35 (1) The loan contract.

36 (2) The right-to-cancel form.

37 (3) The financing estimate and disclosure form required under  
38 the federal Truth in Lending Act.

39 1799.225. (a) A lender that offers or provides a home  
40 improvement loan shall make available to the consumer or property

1 owner, or both, upon request, information in the control or  
2 possession of the lender concerning the home improvement loan  
3 that was provided to the consumer to finance the home  
4 improvement contract, including, but not limited to, information  
5 relating to any transaction, series of transactions, or to the account,  
6 including costs, charges, and payment history.

7 (b) A lender shall comply with the requirements of this section  
8 for any written request for information from a consumer or their  
9 verified representative that includes the name of the consumer,  
10 information that enables the lender to identify the consumer's  
11 account, and states the information the consumer is requesting.

12 (c) A lender shall provide to the consumer or their verified  
13 authorized representative, upon request, any of the following  
14 documentation:

15 (1) The financing application completed by the consumer.

16 (2) Financing agreement and disclosures, including all  
17 certificates, disclosures, and contracts associated with the home  
18 improvement loan, and including any signed or initialed copies.

19 (3) A copy of the home improvement contract for the financed  
20 work.

21 (4) Completion certificates or other evidence that performance  
22 of a home improvement is complete or satisfactorily concluded,  
23 including any signed copies.

24 (5) Documentation of any electronic signatures obtained in  
25 connection with the home improvement loan, including electronic  
26 certificates, electronic signature envelopes, or audit trails.

27 (6) Documentation of all payments to the contractor.

28 (7) The transaction history between the lender and the consumer.

29 (8) Financing estimate and disclosures.

30 (9) An accounting from date of original transaction to the  
31 present.

32 (10) If secured by a financing statement, as described in Section  
33 9501 of the Commercial Code, the lender shall provide that  
34 financing statement and the list of collateral or statement of  
35 account, or both, under Section 9210 of the Commercial Code.

36 (11) Recordings of all oral confirmation calls with the consumer  
37 or their verified representative.

38 (12) Documentation of any investigation performed in  
39 compliance with Section 1799.221.

1 (d) A lender shall maintain each of the records specified in  
2 subdivision (c) relating to any transaction for five years from the  
3 end of the loan term or the last date the loan is active, whichever  
4 is later.

5 (e) A lender, by written notice provided to a consumer, may  
6 establish an address that a consumer must use to request  
7 information in accordance with the procedures in this section.

8 (f) No later than 30 business days after the lender receives the  
9 request for information, the lender shall do one of the following:

10 (1) Provide the consumer with the requested information and  
11 contact information, including a telephone number, for further  
12 assistance in writing.

13 (2) Conduct a reasonable search for the requested information  
14 and provide the consumer with a written notification that states  
15 that the lender has determined that the requested information is  
16 not available to the lender. That notification shall also identify the  
17 basis for the lender's determination, and provide contact  
18 information, including a telephone number, for further assistance.

19 (g) A lender, as a condition of responding to an information  
20 request, shall not charge a fee, or require a consumer to make any  
21 payment that may be owed on the consumer's account, or impose  
22 any other requirement.