

DFPI Orders California Financial Institutions to Report Data on LA-Wildfire Insurance Payouts*

The California Department of Financial Protection and Innovation (DFPI) and Business and Consumer Services Agency (BCSA) issued a press release on October 15, 2026, announcing that the agencies had sent letters to more than 800 financial institutions, mortgage lenders and servicers, requiring these parties to report on their handling of insurance payouts for survivors of the 2025 Los Angeles area wildfires, and warning that lenders who failed to comply may be subject to enforcement proceedings. According to multiple news sources, the DFPI and BCSA are requiring notified lenders to respond by October 29, 2026.

According to the DFPI's press release, the mandatory report requires lenders to provide information regarding the size and distribution of insurance proceeds they received from insurance companies to pay wildfire survivors for property loss or damage, including personal property and living expenses. Institutions who received the letter must provide written explanations to the DFPI and BCSA as to whether all funds were disbursed to survivors, how long the disbursements took, and reasons for any delays or withheld funds as of September 30, 2026.

The DFPI stated that since January 2025 it has received more than 160 complaints from consumers related to lenders' handling of wildfire-related insurance proceed payouts.

A link to the DFPI's announcement may be viewed at https://dfpi.ca.gov/press_release/california-orders-financial-institutions-to-report-data-on-insurance-payouts-to-la-fires-survivors-investigates-reports-of-delayed-and-denied-payments/.

Aldrich & Bonnefin, PLC stands ready to assist financial institutions contacted by the DFPI and BCSA with their responses to these queries. For more information on these and other recent California mortgage-related wildfire legal developments, contact Joel Cook at JCook@ABLawyers.com, Harry Khalsa at HKhalsa@ABLawyers.com or Tricia Engelhardt at TEngelhardt@ABLawyers.com.

* Janet Bonnefin has retired from the firm.

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