

June 25, 2015

Dear Senator:

On behalf of the undersigned organizations, we are writing to urge you to join U.S. Senator Cory Booker (D-NJ) on a letter to the Consumer Financial Protection Bureau (CFPB) seeking immediate action on the small business loan data rulemaking. Since 2012, the CFPB has listed the rulemaking (“Regulation B”) on its Unified Agenda and Regulatory Plan as a Long Term Action item under development. Section 1071 of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 requires the CFPB to improve the publicly available small business loan data. Specifically, the enhanced data is to include the race and gender of the small business owner applying for the loan and other details such as the revenue size of the small business and the action taken on the loan (approval or rejection).

The Dodd-Frank Act states that the purpose of Section 1071 is to “facilitate enforcement of fair lending laws and enable communities, governmental entities, and creditors to identify business and community development needs and opportunities of women-owned, minority-owned and small businesses.” By identifying needs and opportunities, the objective of the data collection is to motivate financial institutions to increase their lending to meet the credit needs of traditionally underserved small businesses and neighborhoods.

Small businesses are important to the U.S. economy and the vitality of local communities. They employ half of the nation’s private sector workers and in recent decades have created two-thirds of net new jobs. Yet, unlike large firms, which rebounded relatively quickly from the Great Recession, the Federal Reserve Banks and the SBA have noted that the pace of recovery for small firms has been slower and more uneven. Lack of access to credit, in part, explains the slow recovery. According to the Federal Reserve Banks most recent Joint Small Business Survey Report, a majority of small firms (under \$1 million in annual revenues) and startups (under 5 years in business) were unable to secure any credit.

The face of entrepreneurship is changing in America. More of those faces today belong to women, Latinos, African-Americans, Asian Americans & Pacific Islanders, Native Americans, veterans, seniors and business owners who are socially and economically disadvantaged. Too many cannot access the requisite capital to start and expand their businesses. We believe improving publicly available small business lending data and analyzing access to credit will help remove barriers to access for many of these small businesses and make for a more equitable lending landscape, much in the way that improved data under the Home Mortgage Disclosure Act (HMDA) has alleviated some barriers to access for homebuyers.

For these reasons and more, we urge you to join Sen. Booker’s letter urging the CFPB to take immediate action on its rulemaking on small business lending data. If you should have additional questions, then please feel free to contact Gerron Levi at the National

Community Reinvestment Coalition (NCRC) at 202-464-2708.

Sincerely,

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Americans for Financial Reform (AFR)

Association for Enterprise Opportunity

Association for Women's Business Centers

Center for Responsible Lending (CRL)

Corporation for Enterprise Development (CFED)

Greenlining Institute

Leadership Conference on Civil and Human Rights (LCCR)

League of United Latin American Citizens (LULAC)

National Association for the Advancement of Colored People (NAACP)

National Association of Latino Community Asset Builders (NALCAB)

National Coalition for Asian Pacific American Community Development (NCAPACD)

National Community Reinvestment Coalition (NCRC)

National Council of La Raza (NCLR)

National Urban League

National People's Action

Opportunity Finance Network

U.S. Black Chambers, Inc.

U.S. Women's Chamber of Commerce

Women Impacting Public Policy (WIPP)