

August 24, 2023

The Honorable Robert Menendez  
Member  
Committee on Banking, Housing and Urban Affairs  
U.S. Senate  
534 Dirksen Senate Office Building  
Washington, DC 20510

Re: Support for the Small Business Financing Disclosure Act (H.R. 4192 and S. 2021)

Dear Senator Menendez:

On behalf of the Opportunity Finance Network (OFN), the leading network of close to 400 community development financial institutions (CDFIs), I write to you in support of the passage of the Small Business Financing Disclosure Act of 2023 you recently introduced within your respective chamber.

OFN applauds the bill's introduction and strongly supports its aim of protecting small business owners from predatory lenders and protecting them from financing options that carry unfair terms and conditions. Current loopholes allow for some financing companies to use aggressive marketing tactics and misleading pricing information to trap small business owners into harmful cycles of debt.

Requiring small business lenders to disclose key information including the annual percentage rate (APR) is an important step in ensuring that small businesses and entrepreneurs have the necessary information to help them make the necessary financial decisions to grow and strengthen their business. Passage of this bill would enshrine some of the other safeguards already required in consumer lending through the Truth in Lending Act into small business financing.

We thank you for the work you have done in crafting and introducing this significant piece of legislation and are committed to communicating to your colleagues the importance of your bill.

Sincerely,



Dafina Williams  
Executive Vice President, External Affairs  
Opportunity Finance Network