



## **Small Business Borrowers’ Bill of Rights (2.0 Update)**

### **Attestation Form and Attestation Worksheet for Brokers**

In order for a broker to become a signatory of the Small Business Borrower’s Bill of Rights 2.0, its chief executive must attest that it abides by all practices described in the Small Business Borrowers’ Bill of Rights by completing both the **Attestation Form** and the **Attestation Worksheet** below, and, if requested, promptly provide additional documentation evidencing compliance with any or all of the enumerated practices (the “**Supporting Documents**”) and the Supporting Documents shall be in a form acceptable to the Responsible Business Lending Coalition. Once completed, the Attestation Form, Attestation Worksheet and, if applicable, any Supporting Documents should be emailed to [info@borrowersbillofrights.org](mailto:info@borrowersbillofrights.org).

## **Small Business Borrowers' Bill of Rights (2.0 Update)**

### **Attestation Form for Brokers**

#### Summary of Attestation

By checking the boxes below, I affirm that my organization actively supports and adheres to the *Small Business Borrowers' Bill of Rights (2.0 Update)* and abides by all of the practices described in the attached Attestation Worksheet:

- The Right to Transparent Pricing and Terms
- The Right to Fair Treatment for Brokers
- The Right to Inclusive Credit Access

Note: You must be able to truthfully check all three boxes to be deemed a Signatory of the Small Business Borrowers' Bill of Rights and thereby eligible to have your organization's logo appear on the Small Business Borrowers' Bill of Rights website, [www.BorrowersBillofRights.org](http://www.BorrowersBillofRights.org).

#### Terms of this Attestation

- a. I have read and understand the *Small Business Borrowers' Bill of Rights (2.0 Update)*.
- b. I have completed the attached Attestation Worksheet, indicating in writing that my organization abides by *all* of the enumerated practices.
- c. If requested by the Responsible Business Lending Coalition, I have provided or will promptly provide (as the case may be) all Supporting Documents (as such term is defined on the cover page of this Attestation Form) in a form acceptable to the Responsible Business Lending Coalition.
- d. By completing this Attestation Form and attesting that my organization abides by *all* of the enumerated practices in the attached Attestation Worksheet, I consent to having this Attestation Form and my organization's logo posted on the Small Business Borrowers' Bill of Rights Website.
- e. I understand that this Attestation Form and my organization's logo may be removed from the Small Business Borrowers' Bill of Rights website if (i) my organization does not complete and submit a satisfactory updated Attestation Form within one calendar year from the date of my signature below, and (ii) each successive year thereafter, or (iii) if my organization ceases to abide by this Attestation; or (iv) if, after receiving a request from the Responsible Business Lending Coalition, my organization fails to promptly provide any Supporting Documents or provides inadequate Supporting Documents (as applicable).
- f. I agree, on behalf of my organization, that my organization assents to and will be bound by the Terms of Use for the Small Business Borrowers' Bill of Rights website.
- g. Anyone with questions for my organization regarding this Attestation Form completed by my organization can contact the following individual (include name, title, email address, and phone number):  

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- h. I attest that the information above is accurate and represents the standard practices for all financing products and services offered through my organization to small businesses. Furthermore, I hereby certify that I am authorized to sign this Attestation Form on behalf of my organization.

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Organization Name

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Chief Executive Signature

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Chief Executive Name

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Date

# Small Business Borrowers' Bill of Rights (2.0 Update)

## Attestation Worksheet for Brokers

In order for an organization to become a signatory it must attest that it abides by the Small Business Borrowers' Bill of Rights (2.0 Update) by having its chief executive complete this worksheet by checking each box below indicating that his or her organization abides by each of the practices set forth below.<sup>1</sup> Questions regarding the form can be directed to [info@borrowersbillofrights.org](mailto:info@borrowersbillofrights.org).

### The Right to Transparent Pricing and Terms

- Transparent Rate**
  - Disclose the Annual Percentage Rate (APR) and the annualized interest rate if one is used.
- The disclosure of APR is an addition of this 2.0 Update. The previous version of the Small Business Borrowers Bill of Rights required disclosure of annualized interest rates. An organization that is not already disclosing APRs may nonetheless complete this Attestation by agreeing, by checking this box, to begin disclosing APRs as described here within 180 days of signing this Attestation. The organization agrees to provide evidence of disclosure of APRs within that time to [info@borrowersbillofrights.org](mailto:info@borrowersbillofrights.org).
  - Interest rate is defined as the scheduled or periodic financing cost, other than an upfront cost, expressed as a percentage of the outstanding principal and annualized.
  - APR is the annual rate that is charged for borrowing, expressed as a single percentage number. It includes fees as well as interest rate, and represents the actual yearly cost of funds.
  - Interest rates and APR are a percentage of outstanding principal balance, not of the original financing amount.
  - For lines of credit or other open-ended types of financing, rates must be calculated with reasonable assumptions about use, including assuming that the borrower draws the full amount on the origination date, and makes the minimum payments required.
  - If a rate is promotional or introductory, the term sheet or its equivalent should clearly state this, and how the rate could change in the future.
- No Hidden Fees**
  - Disclose all upfront and scheduled charges.
- Plain-English Terms**
  - Describe all key terms in an easy-to-understand manner, including the loan amount, total amount provided after deducting fees or charges, payment amount and frequency, total monthly payment amount if payment frequency is other than monthly, collateral requirements, and any prepayment charges.

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<sup>1</sup> The term "loan" and related terms used here such as "lending" are intended to be interpreted in the broadest sense possible so as to include loans, lines of credit, merchant cash advances, and similar products offered and provided to U.S. small businesses, whether or not such credit products are characterized legally or otherwise as loans. Similarly, the terms "lender" and "borrower" are intended to be interpreted in the broadest sense possible so as to include, in the case of lenders, credit marketplaces that facilitate loans on behalf of lenders, cash advance providers, and all manner of persons providing loans to U.S. small businesses or evaluating the creditworthiness of such small businesses in connection with providing a loan, and, in the case of borrowers, all U.S. small businesses who seek or obtain a loan.

- Clear Comparison**
  - Present all of these pricing and other key terms clearly and prominently, in writing, to the borrower when the loan offer is summarized for the borrower and whenever a term sheet, offer summary, or equivalent is provided.
  
- Fair Warning**
  - If referring a small business to a lender or broker who may offer a rate higher than 36% APR and is not a signatory of the Small Business Borrowers’ Bill of Rights, the following warning is provided in writing prior to making the referral:
 

*“Warning: This lender or broker may offer you financing with an APR that is higher than 36%. Regretfully, some loans and cash advances can trap borrowers in cycles of high-cost debt. Before taking any financing, make sure you know the APR, the total payment amount you would owe monthly (even if payments are made daily or weekly), and whether you would owe financing charges even if you pay off early. Make sure you are confident you can afford to pay off any financing you take.”*
  
- The provision of this “fair warning” statement is an addition of this 2.0 Update. An organization that is not already abiding by this requirement may nonetheless complete this Attestation by agreeing, by checking this box, to begin abiding by this requirement within 180 days of signing this Attestation. The organization agrees to provide evidence of abiding by this requirement within that time to [info@borrowersbillofrights.org](mailto:info@borrowersbillofrights.org).

## **The Right to Fair Treatment from Brokers**

- Transparent loan Options**
  - Disclose all loan options for which the borrower qualifies through the broker’s services, emphasizing the lowest APR option, and disclose all lenders to which the broker sends loan applications on the borrower’s behalf.
  
- Transparent Broker Fees**
  - Disclose all compensation paid to the broker, and all charges that will be paid directly or indirectly by the borrower, whether paid up front or financed in the loan.
  
- Transparent Results**
  - Post clearly and prominently on the broker’s website the anonymous and aggregated results of borrowers who obtain financing through the brokers’ services, in terms of APR and financing product.
- Please write here a url for where this information can currently be found on your website, as of the date of signature: \_\_\_\_\_
  
- Empower Borrowers to Make Informed Financing Decision**

- Educate the borrower on each loan option and ensure that the borrower reasonably understands the cost and terms as well as the pros and cons of financing decisions *before* they sign a loan document. Brokers should use tools that help the potential borrower comparison shop, including APRs and loan calculators.

Disclosure of Conflicts of Interest

- Disclose any conflicts of interest, the broker's fee structure, and any financial incentives they have, including whether the broker receives higher fees for brokering certain loans. Brokers who are paid higher fees with certain lenders, loan types, or terms other than the size of the loan, may not state they are acting in the best interest of the potential borrower.

No Fee for Failure

- No fees can be charged to the potential borrower if the broker is unable to find them a loan and if the borrower does not accept a loan secured through the broker's services.

Responsive Complaint Management

- If a complaint is submitted, provide a confirmation of receipt within five days and in writing, when possible, and research and resolve the complaint in a timely manner.

## The Right to Inclusive Credit Access

Non-Discrimination

- Respect the letter and intent of fair lending laws, including the Equal Credit Opportunity Act. Do not discriminate against small business owners on the basis of race, color, religion, national origin, sex, marital status, age, sexual orientation or identity, or any other protected class. Lesbian, Gay, Bisexual and Transgender (LGBT) small business owners deserve the same protection when seeking or obtaining credit.

