



SUPPORT THE SMALL BUSINESS FINANCING DISCLOSURE ACT OF 2023

→ The Small Business Financing Disclosure Act of 2023 ([H.R. 4192](#) / [S. 2021](#)) would amend the Truth in Lending Act (15 U.S.C. 1601 et seq) to require finance companies to disclose the same information for business capital that has been mandated for consumer financing products under the Truth in Lending Act (TILA) for more than 50 years, including Annual Percentage Rate (APR). This gives entrepreneurs the tools to accurately compare products and choose the best option for their business.

→ **THE PROBLEM**

Entrepreneurs have come to expect standard information, including APR, to understand the cost of financing. They often don't realize that finance providers aren't required to disclose the same information for business products as consumer products. When economic recessions cause banks to pull back their small business lending, new solutions such as financial technology (fintech) products can fill the gap. This expands financing options, but without further regulation **companies can legally mislead business owners to take on harmful debt with undisclosed APRs as high as 350%.**

THE POLICY SOLUTION

By co-sponsoring the Small Business Financing Disclosure Act of 2023 (S. 2021 / H.R. 4192), lawmakers can support a transparent and competitive business financing market that rewards companies for offering the most innovative and affordable products, rather than devising the most misleading pricing information.

Both for- and non-profit finance providers want to operate in an environment that works better for small business owners.

[More than 80 local, state, and national small business stakeholders have endorsed the bill.](#)



→ KEY ELEMENTS OF COMPREHENSIVE DISCLOSURE

Business owners have a right to see the cost and terms of any financing offers in writing, in a form that is clear, conspicuous, complete, and easy to compare with other options.

This includes:

- APR or Estimated APR
- Financing amount, and the total amount provided after deducting fees or charges
- Term or estimated term of repayment
- Payment amount and frequency, including the actual or estimated total payment amount per month
- All upfront and scheduled charges
- Collateral Requirements
- Any costs potentially due at prepayment

→ SMALL BUSINESS OWNERS DESERVE TRANSPARENCY

Entrepreneurs deserve clear, honest information about business capital options so they can focus on running their business, not deciphering convoluted financing terms designed to deceive them. While some states have adopted small business financing disclosures in recent years, many of these laws fall short in ensuring comprehensive protections. **It's time for federal lawmakers to take action.**

STAND WITH SMALL BUSINESSES IN SUPPORT OF THE SMALL BUSINESS FINANCING DISCLOSURE ACT

Legislators can support small business owners by co-sponsoring the Small Business Financing Disclosure Act (S. 2021 / H.R. 4192). Organizations can support our movement by endorsing the bill.

Join Us! Contact

info@borrowersbillofrights.org

→ [View existing sponsors of S. 2021](#)

→ [View existing sponsors of H.R. 4192](#)

→ [View the list of current endorsers](#)

→ [Review the Bill Text](#)