



September 23, 2019

The Honorable Senator Kevin Thomas  
 Legislative Office Bldg., Room 947  
 Albany, NY 12247

RE: S. 5470

Dear Senator Thomas,

Today, New York small businesses are being charged APRs as high as 400%<sup>1</sup>, without those APRs ever being disclosed to them. We are a unique nonprofit/industry coalition that brought this issue to national attention in

<sup>1</sup> Bloomberg Businessweek, "Sign Here to Lose Everything Part 1," 2018.  
<https://www.bloomberg.com/graphics/2018-confessions-of-judgment/>

2015 by launching the [Small Business Borrowers' Bill of Rights](#), a consensus on responsible lending standards signed by more than 100 for-profit and non-profit lenders, investors, brokers, and small business advocates. We write to thank you for introducing S. 5470 to raise the issue of transparency in the small business financing marketplace. While we share your goals for this bill, there are some aspects of the bill that we believe must be improved upon to eliminate loopholes and ensure small businesses can make informed price comparisons. We are grateful for the opportunity to work with you on this important issue, and produce the truth in lending transparency standards that New York businesses need and deserve.

Policymakers nationwide have recognized the importance of transparency in the small business financing space. In 2018, our coalition inspired and passed the first and only small business truth in lending law in the country, California [SB 1235](#). This law set a strong precedent, and we believe an even stronger bill can be passed in New York to set the national standard.

New York can create a comprehensive framework overseeing small business financing that will serve as a model for the rest of the country. This will protect borrowers and foster healthy competition in the financing marketplace. We appreciate your leadership on this issue, and we look forward to working with you to advance transparency in small business lending next session.

Sincerely,

*Accion*

*Anchor Capital for a Common Goal*

*BOC Capital*

*Business Center for New Americans*

*CAMEO*

*CDC Small Business Finance*

*CLS*

*Community Capital New York*

*Community Loan Fund of the Capital Region*

*Funding Circle*

*Halo Business Finance*

*Human Scale Business*

*Jefferson Economic Development Institute (JEDI)*

*Justine PETERSEN*

*LendingClub*

*Lower East Side People's Federal Credit Union*

*Marketplace Lending Association (MLA. Members include Lending Club, Prosper, Funding Circle, Avant,*

*Marlette Funding, Affirm, Common Bond, Upstart, Peer Street, Lending Point, College Ave, and SoFi)*

*MESO*

*Minority & Women Contractors & Developers Association*

*Mission Economic Development Agency*

*Multifunding*

*National Urban League*

*Nav*

*New York State CDFI Coalition*

*Opportunity Finance Network*

*Opportunity Fund*

*PathStone*

*Responsible Business Lending Coalition (RBLC. Members include Accion, Community Investment Management, Funding Circle, LendingClub, Opportunity Finance Network, Opportunity Fund, Small Business Majority, StreetShares and the Aspen Institute)*

*Small Business Majority*

*SMB Intelligence*

*Silver Lining*

*Venturize*

*Women's Business Center*

*Women's Economic Ventures*

*The Woodstock Institute*

*WWBIC*

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