

United States Senate

WASHINGTON, DC 20510

July 10, 2015

The Honorable Richard Cordray
Director
Consumer Financial Protection Bureau
1275 First Street, NE
Washington, DC 20002

Dear Director Cordray:

We are writing to urge the CFPB to expedite the agency's rulemaking around publicly available small business loan data, pursuant to Section 1071 of the Dodd-Frank Wall Street Reform and Consumer Protection Act. 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. You have acknowledged that the collection and disclosure of small business lending data would be "similar in theory and practice" to the collection and disclosure of mortgage credit data under the Home Mortgage Disclosure Act (HMDA). As the agency moves to finalize the HMDA rule, we believe that now is the time for it to initiate its Regulation B rulemaking.

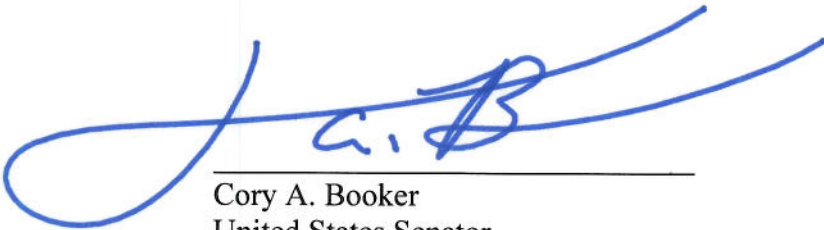
There are nearly 28 million small businesses in the United States. While entrepreneurship can open the door to achieve the American Dream, it can be difficult for entrepreneurs to get their businesses started. Access to capital is often limited in underserved and underrepresented communities—the same communities that disproportionately endure financial hardship and lack broader access to opportunities. While access to capital has improved in these areas, it is difficult to gauge whether lending practices have broadened to incorporate businesses that operate and employ in these underrepresented communities. Given your leadership and depth of knowledge about the history of HMDA, we know you fully appreciate how important better data on lending markets has been for policymakers, industry practice, and local organizations that advocate for the credit needs of traditionally underserved communities.

We have seen the positive impacts small businesses afford our communities. Small businesses have generated over 65 percent of the net new jobs since 1995, continue to provide valuable services, and foster innovation. Our small businesses play a crucial role in growing the nation's economy, and Congress should be supporting policies that promote entrepreneurs. Analyzing access to credit and removing barriers is imperative when considering the significant role of small business on job creation and the plummeting of small business lending since the Great Recession. Current data collection efforts are fragmentary and provide an incomplete picture of lending in the small business marketplace. Section 1071 mandates the CFPB to centralize this data collection to make it easier for financial institutions to report it and the general public to use it.

Together, we want to emphasize the critical need for greater transparency around small business lending data. Regulation B will facilitate the enforcement of fair lending laws and help identify the credit needs of women-owned, minority-owned, and all small businesses. We urge the agency to move forward this year with its rulemaking without further delay.

Thank you for your consideration.

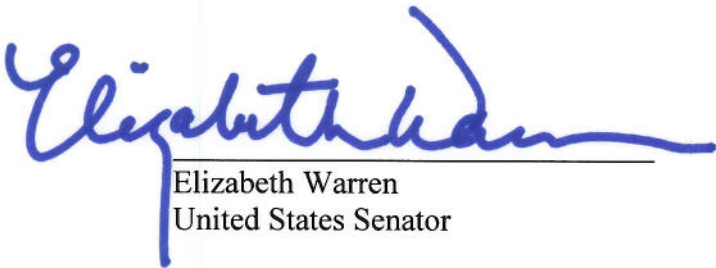
Sincerely,



Cory A. Booker
United States Senator



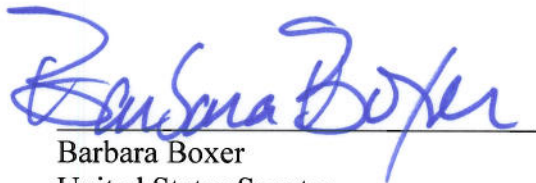
Al Franken
United States Senator



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