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Ramiro A. Cavazos  
*President & CEO*

June 7, 2022

The Honorable Maxine Waters  
Chairwoman  
U.S. House Committee on Financial  
Services  
2129 Rayburn House Office Building  
Washington, DC 20515

The Honorable Patrick McHenry  
Ranking Member  
U.S. House Committee on Financial  
Services  
2129 Rayburn House Office Building  
Washington, DC 20515

### **Re: Support for H.R. 6054, Small Business Lending Disclosure Act of 2021**

Dear Chairwoman Waters and Ranking Member McHenry:

On behalf of the United States Hispanic Chamber of Commerce (USHCC) and our board of directors, we write to strongly support H.R. 6054, the Small Business Lending Disclosure Act of 2021 and to urge all members of the House Financial Services Committee to support this critical legislation. The bill aims to bring transparency to the small business lending marketplace through standardized disclosures, particularly disclosure of the annual percentage rate (APR). When small business owners are empowered with clear information about their financing options, they have the agency to choose the best product for their needs.

The USHCC actively promotes the economic growth, development, and interests of more than five million Hispanic-owned businesses that, combined, contribute over \$800 billion to the American economy every year. We also serve as a platform for our nationwide network of over 260 local Hispanic chambers of commerce.

As introduced, H.R.6054 provides small business owners with clear and comparable disclosures when they are approved for commercial financing products. The bill requires all types of commercial financing providers to disclose APR so that small business owners can easily make apples-to-apples comparisons of financing offers with different pricing and term lengths. APR is the only established metric that enables informed comparisons of the cost of capital over time and between products of different dollar amounts and term lengths.

The pandemic has underscored the importance of accessible and affordable capital for small business owners. It's a critical component to maintaining successful business operations and growth. That's precisely why all small business owners should be protected as they search for capital. Currently the federal Truth in Lending Act (TILA) requires that consumer creditors disclose critical financing information, including APR, in a clear and comparable format. However, Congress has yet to extend these disclosure requirements to owners of small businesses across the U.S. who apply for loans and all other financial credit products, which means they are all vulnerable to irresponsible lenders. As small businesses recover from the pandemic, it should go without saying that transparent lending shouldn't be up for debate. Small business owners deserve to safely shop for capital without being concerned about exorbitant APR and unfair or opaque loan terms.

Small businesses are America's backbone, employing nearly half of all employees. Their importance to the economy has been highlighted during the pandemic, and it's precisely why they deserve these essential safeguards. We urge you and your colleagues to vote for this bill when it comes before the committee and support efforts to move this important legislation through Congress in a timely manner.



Thank you for your service and partnership in supporting America's Hispanic and minority owned businesses as well as the more than 63.5 million Latinos/as living in America. If you have any questions, please do not hesitate to reach out to C. LeRoy Cavazos-Reyna, Vice President of Government and International Affairs via phone at 956-844-9628 or email at [LCavazos@ushcc.com](mailto:LCavazos@ushcc.com). We commend your committee's work and look forward to a positive outcome on this important legislative matter.

Respectfully,

Ramiro A. Cavazos  
President & CEO  
U.S. Hispanic Chamber of Commerce

CC: The Honorable Nydia Velazquez