

116TH CONGRESS
1ST SESSION

H. RES. 370

Expressing the sense of the House of Representatives that small business owners seeking financing have fundamental rights, including transparent pricing and terms, competitive products, responsible underwriting, fair treatment from financing providers, brokers, and lead generators, inclusive credit access, and fair collection practices.

IN THE HOUSE OF REPRESENTATIVES

MAY 9, 2019

Mr. PHILLIPS (for himself, Mr. TIMMONS, and Ms. VELÁZQUEZ) submitted the following resolution; which was referred to the Committee on Small Business

RESOLUTION

Expressing the sense of the House of Representatives that small business owners seeking financing have fundamental rights, including transparent pricing and terms, competitive products, responsible underwriting, fair treatment from financing providers, brokers, and lead generators, inclusive credit access, and fair collection practices.

Whereas there are more than 30 million small businesses in the United States, accounting for 99 percent of all firms;

Whereas, from 2000 to 2017, small businesses created 8.4 million net new jobs, accounting for more than two-thirds of net new job creation in that period;

Whereas small businesses are the driving force behind innovation and competitiveness in the United States and are integral to the Nation's overall economic growth and prosperity;

Whereas according to the National Small Business Association, 73 percent of small firms used financing in the last 12 months;

Whereas entrepreneurs throughout the country face challenges accessing the capital needed to create, sustain, and grow small businesses and at the same time, are increasingly targeted with irresponsible lending practices;

Whereas a small business borrower has the right to have the cost and terms of any financing being offered presented to them in writing and in a form that is clear, complete, and easy to compare with other financing options, so they can make the best decision for their business;

Whereas a small business borrower has the right to expect that financing products will not trap his or her business in an expensive cycle of reborrowing;

Whereas a small business borrower has the right to expect that financing is offered to them based on underwriting practices that assess the ability of the borrower's business to succeed and repay;

Whereas a small business borrower has the right to honest, transparent, and impartial communications with all financing providers, brokers, and lead generators regarding loan options, conflicts of interest, fees, and the financing options available;

Whereas a small business borrower has the right to fair and equal treatment when seeking a loan, including protec-

tions guaranteed under the Equal Credit Opportunity Act;

Whereas a small business borrower has the right to be treated fairly and respectfully throughout a collections process and the right to protections like those guaranteed under the Fair Debt Collection Practices Act; and

Whereas a small business borrower has the right to expect that financing providers do not use confessions of judgment or equivalent legal agreements by which a borrower preemptively agrees to lose disputes with the financing provider: Now, therefore, be it

1 *Resolved*, That it is the sense of the House of Representatives that—

3 (1) the above principles promote the sustained
4 growth and vitality of America’s main street businesses; and

6 (2) Congress should take all appropriate measures to use these principles as a framework for potential legislation and regulations to protect small
8 business owners seeking financing that would start,
9 continue, or expand operations and create jobs.

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