



NEW YORK STATE CDFI COALITION

Innovative Financing for NY Communities

c/o Community Loan Fund of the Capital Region
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October 25, 2022

Mr. George Bogdan
NYS Department of Financial Services
1 State St
New York, New York 10004

george.bogdan@dfs.ny.gov

VIA ELECTRONIC TRANSMISSION

RE: Proposed 23 NYCRR 600, Disclosure Requirements for Certain Providers of Commercial Financing Transactions

Dear Mr. Bogdan:

We write to offer our strong support for moving forward with the Small Business Truth in Lending regulations implementing S5470B.

The NYS CDFI Coalition helped lead the charge to pass this law. We joined forces with the Responsible Business Lending Coalition, small business groups, advocacy organizations, and for-profit lenders to champion the Small Business Truth in Lending Act because truth in lending is a vital building block of economic opportunity in the state of New York.

The NYS CDFI Coalition represents more than 80 CDFIs in New York State. We provide financial services and education for low-income New Yorkers; leverage federal and private dollars for economic development; create market-based solutions that provide capital to chronically underserved communities across the state; and promote responsible alternatives to predatory loans.

Today, too many entrepreneurs are victims of predatory lending, and overpay for credit because of a lack of transparent price disclosure in small business financing. Consumers have long enjoyed basic truth-in-lending stand-

ards, but these common-sense protections have not been available to small business borrowers until recently. New York is finally correcting that regulatory gap with the above-referenced measure: the strongest small business lending disclosure regulations in the country.

We focus on underserved communities, including communities of color. Studies show these communities are disproportionately affected by predatory lending. In some cases, high-cost and non-transparent lending can trap borrowers in cycles of debt and even lead to the failure of small businesses. Transparent disclosures will help the overall commercial financing marketplace because transparent price disclosure is the foundation of price competition.

We urge you to release the final rule as soon as possible and refer you to the Responsible Business Lending Coalition's comment letter for additional recommendations.

Sincerely,

A handwritten signature in black ink, reading "Linda MacFarlane". The signature is written in a cursive, flowing style.

Linda MacFarlane
Chair
NYS CDFI Coalition