



June 14, 2022

The Honorable Maxine Waters
Chair
Committee on Financial Services
U.S. House of Representatives
Washington, DC 20515

The Honorable Patrick McHenry
Ranking Member
Committee on Financial Services
U.S. House of Representatives
Washington, DC 20515

Dear Chair Waters and Ranking Member McHenry:

The U.S. Chamber of Commerce appreciates the Committee holding the markup scheduled for June 14, 2022. We write to express our views on several bills that will be considered.

SUPPORT

H.R. 7977, the Promoting Opportunities for Non-Traditional Capital Formation Act

This bill would amend the Securities Exchange Act of 1934 to require the Advocate for Small Business Capital Formation to provide education resources to help promote capital raising options for traditionally underserved small businesses.

The legislation would assist underserved and underrepresented small business owners by providing educational resources and the tools needed to grow their businesses. Additionally, the legislation would help build coordination between regulators by requiring the Advocate to engage with state regulators at least annually. Such ongoing discussions between regulators would help foster opportunities to assist small business.

OPPOSED

H.R. 6814, the Small Business Fair Debt Collection Protection Act

This bill would apply the Fair Debt Collection Practices Act (FDCPA) to small business debt in the same way that it is applied to consumer debt. The legislation would increase the cost of small business credit without a defined countervailing benefit.

The cost that would be realized by the legislation has not been adequately justified by supporting data about the benefits. Debt collection is a critical component of the overall credit system. Enabling effective collections is essential to maintaining small business' access to affordable credit. Lenders will be forced to increase the cost of credit if it becomes more difficult to collect on legitimate debt.

Additionally, this legislation improperly conflates consumer credit and small business credit. The FDCPA was designed to protect consumers, not small businesses, from unscrupulous tactics by third-party debt collectors who are charged with collecting debt on behalf of another person or entity. This legislation improperly assumes that small businesses require an extra layer of protection in the event their loan is charged off to a third-party debt collector.

H.R. 4277, the Overdraft Protection Act

This bill would make it more difficult for consumers to manage their finances by restricting the type of overdraft protection products that can be offered by financial institutions. Overdraft payment services are already regulated; consumers receive fee disclosures and are only eligible for overdraft protection if they opt-in to the service.

Overdraft protection products are subject to a robust disclosure regime that informs consumers of the total fees to which they may be subject. The Truth in Savings Act, as implemented by Regulation DD, requires a depository institution to make specific disclosures for overdraft services.

There are many circumstances in which consumers benefit from overdraft protection from their bank. The legislation also seems to disregard that consumers have many options for accounts that do not offer overdraft payment services.

Thank you for considering our views.

Sincerely,



Neil L. Bradley
Executive Vice President, Chief Policy Officer,
and Head of Strategic Advocacy
U.S. Chamber of Commerce

cc: Members of the House Committee on Financial Services