

Small Business Coalition Highlights Issues for Bureau

March 2, 2011

In anticipation of hearings on how the Dodd-Frank Act will impact small businesses, the a U.S. Chamber of Commerce-led coalition of business groups provided Treasury Secretary Timothy Geithner with recommendations regarding [the formation of the Consumer Financial Protection Bureau](#) ("CFPB"). The group is urging the creation of a CFPB that is "nimble, effective, transparent, and fair" while ensuring adequate access to affordable credit by consumers and small businesses alike. The group's recommendations, as listed below, seek to empower consumers through the use of clear disclosures and to reduce regulatory duplicity by increasing coordination among federal and state agencies.

1. Develop an Effective and Efficient Structure to Facilitate Protection of Consumers and Promotion of Economic Growth. Avoid the mistakes of the past and promote effective and efficient oversight and enforcement without impacting competition.

2. Empower Consumers by Rationalizing Disclosure Requirements. Work with businesses to improve disclosure requirements.

3. Prevent Duplicative and Inconsistent Regulation of Main Street Businesses. Ensure strong coordination with the FTC and other federal agencies; exempt financial products service providers and limit further expansion of CFPB jurisdiction; provide guidance to state Attorneys General; and limit data collection requirements.

4. Preserve Small Business Access to Credit. Ensure that regulations do not impeded access to credit.

5. Ensure Coordination with Federal and State Prudential Regulators. Involve prudential regulators early and often.

6. Defer Rulemaking Until After Confirmation of a Director. Appointment of a CFPB director ensures proper congressional oversight.

In a [speech yesterday before the Credit Union National Association](#), Elizabeth Warren touched on a number of the issues raised by the coalition. With regard to disclosures, Ms. Warren noted that additional clarity will serve both consumers and small businesses alike. She stated that the CFPB plans on "making ... clarity up front ... the norm for all financial service providers. When that's the case, the effort you invest in creating a valued partnership with your members becomes a real competitive advantage." On the importance of protecting small businesses, she went on to state that "I look forward to testifying about ... how the consumer bureau's focus on transparency can make the markets work better for consumers and small providers alike. And I look forward to discussing how we have worked hard to make outreach to small institutions – credit unions and community banks – part of the new consumer bureau's DNA."