



September 13, 2017

(Submitted electronically at <http://regulations.gov>)

Monica Jackson
Office of the Executive Secretary
Consumer Financial Protection Bureau
1275 First Street NE
Washington, DC 20002

Re: Comments on Request for Information Regarding the Small Business Lending Market, 82 FR 22318, Docket No, CFPB-2017-0011.

Dear Ms. Jackson:

Women Impacting Public Policy (WIPP), a national, nonpartisan organization advocating on behalf of women entrepreneurs, submits the following comments in response to the Consumer Financial Protection Bureau's (CFPB) Request for Information Regarding the Small Business Lending Market. WIPP supports the implementation of section 1071 of the Dodd-Frank Act ("section 1071") for the purpose of requiring financial institutions to compile, maintain, and report information concerning credit applications made by women-owned, minority-owned, and small businesses.

Women-owned businesses are critical to the nation's job creation and economic growth. Today there are more than 10 million women business owners – making up more than a third of all U.S. businesses – who generate more than \$1.4 trillion in revenues and employ 8.4 million people.¹ Yet, women entrepreneurs lack sufficient access to capital. Lawmakers and regulators lack basic information about the credit needs of women-owned businesses and their ability to obtain credit. Just five percent of women-owned businesses use bank loans to start their businesses, compared to eleven percent of male-owned businesses.² On average, women start their businesses with half the amount of capital compared to men.³

The data that would result from the implementation of Section 1071 is critical for measuring access to credit for small businesses, particularly women-owned and minority-owned businesses. An enhanced understanding of the amount of small business credit flowing into local communities would clearly outline unmet credit needs for women entrepreneurs to lawmakers and regulators. Additionally, small business lending data transparency would help identify business and community development needs and

¹ 10 Million Strong: The Tipping point for Women Entrepreneurs. National Women's Business Council. 2016.

² National Women's Business Council, "Problem: Women Entrepreneurs Need Greater Access to Capital." Available at <https://www.nwbc.gov/sites/default/files/Access%20to%20Capital%20Fact%20Sheet.pdf>.

³ *Id.*



opportunities for minority-owned and small businesses. With this data, good policy decisions can be made to solve the continued problem of obtaining capital for women owned businesses.

We understand that the lending community has expressed concern that imposing these requirements will put a further “chill” on small business lending – an outcome that no one wants. However, we believe that reasonable requests in this data collection could benefit everyone. We urge the CFPB in its implementation to “keep it simple,” so that lenders are not burdened with onerous paperwork, but rather a few data points that could help us get to the answer of why lending to women is so low.

Women business owners are a burgeoning economic force. Access to the credit that will support success is not just beneficial to the business owner, but is also good for the economy. According to the Guardian Small Business Research Institute, women-owned businesses will create 5 to 5.5 million new jobs by 2018, more than half of the 9.7million new small business jobs expected to be created and about one-third of the 15.3 million total new jobs anticipated by the Bureau of Labor Statistics by 2018.⁴ As the CFPB considers the implementation of Section 1071 to require financial institutions to compile, maintain, and report information concerning credit applications made by women-owned, minority-owned, and small businesses, WIPP urges you to consider the ways in which this regulation would create a level playing field for women-owned small businesses. Doing so will allow them to invest earnings into growing their businesses and creating more jobs.

Thank you for your consideration of WIPP’s comments. If you have any questions, please feel free to reach out to Ann Sullivan, our Chief Advocate, at asullivan@madisonservicesgroup.com or (202) 626-8528.

Sincerely,

Jane Campbell
President, Women Impacting Public Policy
Director, National Development Council

⁴ National Women’s Business Council, “Launching Women-Owned Businesses onto a High Growth Trajectory,” available at <https://www.nwbc.gov/sites/default/files/growthpap.pdf>.