

FOSTERING A SMALL BUSINESS CLIMATE AND IMPROVING ACCESS TO CAPITAL

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*Advancing Economic Security
and Community Prosperity*

WOODSTOCK INSTITUTE MISSION & FOCUS AREAS

OUR MISSION IS TO CREATE A JUST FINANCIAL SYSTEM IN WHICH LOWER-WEALTH PERSONS AND COMMUNITIES OF COLOR CAN ACHIEVE ECONOMIC SECURITY AND COMMUNITY PROSPERITY.

- **EQUITABLE LENDING AND INVESTMENTS**
- **WEALTH CREATION AND PRESERVATION**
- **SAFE AND AFFORDABLE FINANCIAL PRODUCTS, SERVICES, AND SYSTEM**



CURRENTLY AVAILABLE SMALL BUSINESS LOAN DATA

- REPORTED UNDER CRA REQUIREMENTS
- CREDIT EXTENDED BY CENSUS TRACT
 - AGGREGATED BY LOAN SIZE – NUMBER OF LOANS AND TOTAL AMOUNT
- LOANS TO BUSINESSES WITH GROSS REVENUE < \$1 MILLION
- ONLY FOR FINANCIAL INSTITUTIONS REPORTING FOR CRA
 - MOSTLY LARGE BANKS (OVER \$1.2 BILLION IN ASSETS)



SMALL BUSINESS DATA (DODD-FRANK ACT § 1071)

- WILL FACILITATE ENFORCEMENT OF FAIR LENDING LAWS
- WILL ENABLE ADVOCATES TO IDENTIFY CREDIT NEEDS OF WOMEN- AND MINORITY-OWNED SMALL BUSINESSES

*AS DISCUSSED IN OUR REPORT **DIS-CREDITED: DISPARATE ACCESS TO CREDIT FOR BUSINESSES IN THE CHICAGO SIX COUNTY REGION***

- CFPB RETAINS DISCRETION TO ADD DATA ELEMENTS TO FULFILL § 1071 PURPOSES, OR REMOVE THEM

DFA § 1071 – NEW DATA POINTS

- DEMOGRAPHICS – RACE AND GENDER OF SMALL BUSINESS OWNER, REVENUE SIZE OF BUSINESS, CENSUS TRACT
- TYPE AND PURPOSE OF LOAN
- OUTCOME OF APPLICATION
- APPLICATIONS VS. ORIGINATIONS
- LOAN AMOUNTS AND REVENUE SIZE OF BUSINESS



NCRC RECOMENDED §1071 DATA POINTS

- LOAN PRICING DATA
- BORROWER INDUSTRY CLASSIFICATION
- BORROWER CREDITWORTHINESS
- EXTEND §1071 REQUIREMENTS TO CREDIT UNIONS MAKING SMALL BUSINESS LOANS AND OTHER NON-BANK INSTITUTIONS



RECOMENDED DATA POINTS (CONT.)

- NUMBER OF EMPLOYEES
- COLLATERAL AMOUNT AND TYPE
- START-UP STATUS AND YEARS IN BUSINESS
- LOAN PERFORMANCE DATA

QUESTIONS, COMMENTS, OR
CONCERNS?



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