FOSTERING A SMALL BUSINESS CLIMATE AND IMPROVING ACCESS TO CAPITAL

DORY RAND, PRESIDENT
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.

- EQUIitable 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 RECOMMENDED §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
RECOMMENDED 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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