

BILL NUMBER: HB 2063				DATE: 1/30/2024
COMMITTEE: Financial Institutio	ons			
TESTIFYING:	✓ IN SUPPORT OF	IN OPPOSITION TO		ATIONAL PURPOSES
		WITNESS NAME		
REGISTERED LO	OBBYIST:			
WITNESS NAME: ALEX EATON			PHONE NUME 573-616-9	
REPRESENTING: TITLE: TITLE:				
ADDRESS: 330 MARYLAND A	VE NE			
CITY: WASHINGTON			STATE: DC	ZIP: 20002
EMAIL:		ATTENDANCE:	SUBMIT DATE: 1/30/2024 12:00 AM	
THE INFORMA	TION ON THIS FOR	M IS PUBLIC RECOR	D UNDER CHA	PTER 610, RSMo.



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		WITNESS NAME		
INDIVIDUAL:				
WITNESS NAME: ARNIE C."HONES	T-ABE" DIENOFF-STAT	TE PUBLIC ADVOCATE	PHONE NUME	BER:
BUSINESS/ORGANIZATION NAME:		TITLE:		
ADDRESS:				
CITY:			STATE:	ZIP:
EMAIL: arniedienoff@yaho	oo.com	ATTENDANCE: Written	SUBMIT D 1/30/20	DATE: 24 11:33 PM
THE INFORMATION ON THIS FORM IS PUBLIC RECORD UNDER CHAPTER 610, RSMo.				
i in Support of this Bill and additional Disclosures and Consumer Protections.				



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BILL NUMBER: HB 2063		DA 1/3	TE: 30/2024
COMMITTEE: Financial Institutions			
TESTIFYING: IN SUPPORT OF		OR INFORMATIC	ONAL PURPOSES
	WITNESS NAME		
BUSINESS/ORGANIZATION:			
WITNESS NAME: AWESTA SARKASH		PHONE NUMBER: 505-410-0286	
BUSINESS/ORGANIZATION NAME: SMALL BUSINESS MAJORITY; RESPONS COALITION	IBLE BUSINESS LENDING		CY DIRECTOR
ADDRESS: 1015 15TH STREET NW			
CITY: WASHINGTON D.C.		STATE: DC	ZIP: 20005
EMAIL: asarkash@smallbusinessmajority.org	ATTENDANCE: Written	SUBMIT DATE: 1/29/2024 6	5:45 PM
THE INFORMATION ON THIS FORM	I IS PUBLIC RECORD UN	IDER CHAPTE	ER 610, RSMo.
Disclosure LawDear Chair O'Donnell, Vice Financial Institutions: The Responsible Bu to HB2063, the CommercialFinancing Disc Business Borrowers' Bill of Rights(BBoR) standards of responsible lending to small to responsible financing options for busin Missouri lawmakers for their efforts to pro- marketplace in the state. Unfortunately, as owners with the transparency that they ne In fact, by failing to require a provider to o their products, the bill would facilitate the business owners in unsustainable debt ar profit small business financing providers Business Borrowers' Bill of Rights and ag owners. The first right identified in the BB for small business financing providers to estimatedAPR) when offering financing. B standard information forfinancing produc finance products (such as creditcards and Lending Act (TILA). Since TILAdoesn't ap -digit annual percentage rates (APRs) with absence of required disclosures for busin pricing terms such as "simple interest" ar that business owners often confuse these based on this information. 2 APR is the or products, regardless of the amount, term fees.APR can be calculated for a range of length.That's why companies providing a been disclosingAPR or estimated APR for providers across thecountry, including sig	Isiness Lending Coalition (RE closure Law as introduced. As ), which represents the first cl businesses, our Coalition is o ness ownersin Missouri and mo- borote a healthy andtranspare is currently written, HB2063wc ed to make informed decision disclose an annual percentage same harmful and deceptive and advocacy organizations preed to uphold these rights w ooR is the Right to Transparer clearly disclose seven key te susiness owners have come to ts, as this information has be d mortgages) for more than 55 ply to business financing, con out ever disclosing these rate essfinance products, comparent to the and mortgages) for more than 55 ply to business financing, con out ever disclosing these rate essfinance products, comparent the terms with APR andmistake in the products regardles range of innovative financing decades as required under T	BLC) writes toda is the creator of the ross-sector cons- committed to ex- pationwide. We constructed to explore the provide of the sector that the mathematic sector that the sector the sector the sector that the sector that the sector that the sector the sector that the sector that the sector the sector that the sector that the sector the sector that the sector the sector that the sector that the sec	y in opposition the Small sensus on panding access commend ss financing de business nancing options. stimated APR for rapsmall r-profit and non- he Small thbusiness erms, whichcalls APR or nd other red for consumer e federal Truth in ally charge triple owners. 1 In the advertise novel eserve reveals er products n between terestand ure, fees, or term onsumers have mercial financing

Financing Network, a leading tradeorganization representing factoring and asset-based small business financing companies, said on the record in2023 that his organization would not oppose California's APR disclosure requirements as long as the regulatorylanguage allowed for estimates in the case of variable rate products. 3 Like the federal TILA bill, California's regulations provide guidelines for disclosing estimated APR for products that don't have a fixed term andalerting customers to the fact that their actual costs might differ. Rapid Finance, a leading merchant cashadvance company, sells software that can enable any merchant cash advance company to automate theseEstimated APR computations. 4Entrepreneurs need more financing options that will help their businesses thrive, not force them out of business.By requiring comprehensive small business finance disclosures, including APR, Missouri lawmakers wouldsupport a healthy business financing market that rewards companies for offering the most innovative and affordable products, rather than devising the most misleading pricing information. Financing companies thatcurrently offer costly products with misleading price disclosures may lose business when transparency reveals their prices to be uncompetitive. This would enable more responsible, affordable capital options to enter themarket to better support business owners.As members of the House Committee on Financial Institutions, we urge you to oppose HB2063 in its currentform and amend the bill to include APR among the critical information small business owners need to compareand select the best financing option for their needs. We are happy to be a resource to you as you considerimprovements to the bill in support of Missouri small business owners.Sincerely,Awesta Sarkash, Vice ChairThe Responsible Business Lending Coalition1 Unaffordable and Unsustainable: The New Business Lending on Main Street. Accion Opportunity Fund, 2016https://aofund.org/news/unaffordable-and-unsustainable-new-business-lending/2 Source: Federal Reserve Bank of Cleveland, "Uncertain Terms: What Small Business Borrowers Find When Browsing Online Lender Websites,"December 2019 https://www.clevelandfed.org/publications/cd-reports/2019/sr-20191219- uncertain-terms3 Reference 1:04:50 of the following hearing: https://www.assembly.ca.gov/media/assembly-banking-and-finance- committee-202306124 Will

Tumulty, CEO of Rapid Finance, described their calculator as giving Industry "the tools they need to help ensure that they cancontinue to efficiently and compliantly meet the financing needs of their customers." Businesswire, Rapid Finance AnnouncesAvailability of API Service to Support State-Level Business Lending Disclosure Requirements (Dec. 9, 2022, 7:01 AM),https://tinyurl.com/4suct43f.



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	WITNESS NAME		
BUSINESS/ORGANIZATION:			
		PHONE NUMB	ER:
BUSINESS/ORGANIZATION NAME: ALTCAP			ADVOCACY ATOR
ADDRESS: 300 E 39TH ST			
CITY: KANSAS CITY		STATE: MO	ZIP: 64111
EMAIL: miles@altcap.org	ATTENDANCE: Written	SUBMIT D 1/30/20	DATE: 24 2:11 PM
THE INFORMATION ON THIS FOR	M IS PUBLIC RECOR	D UNDER CHA	PTER 6 <u>10, RSMo.</u>
Financing Disclosure Act as introduced. financing options for business owners in for their efforts to promote a healthy and state. Unfortunately, as currently written, transparency they need to make informed require a provider to disclose an annual bill would facilitate the same harmful and unsustainable debt that threaten their live generators, and advocacy organizations Business Borrowers' Bill of Rights and a the Right to Transparent Pricing and Terr clearly disclose seven key terms (includi owners have come to expect APR and oth information has been legally required for Truth in Lending Act (TILA). Since TILA d charge triple-digit annual percentage rate owners. In the absence of required discl advertise novel pricing terms such as "si Reserve reveals that business owners of costlier products based on this informati comparison between products, regardles of interest and fees.APR can be calculate structure, fees, or term length. That's wh products for consumers have been discle TILA. Many commercial financing provide Business Borrowers' Bill of Rights, alrea The CEO of the Structured Financing Net asset-based small business financing co would not oppose California's APR discle California's regulations provide guideline fixed term and alert customers to the fact	Missouri and nationwid transparent small busin HB2063 would fail to pr d decisions about their f percentage rate (APR) of d deceptive practices that elihoods.More than 100 from across the United S greed to uphold them. The ns, which calls for small ng APR or estimated AP her standard information consumer products for oesn't apply to business es (APRs) without ever do osures for business fina- timple interest" and "fact ten confuse these terms on. APR is the only prices of the amount, term le d for a range of financin y companies providing a osing APR or estimated ers across the country, i dy disclose APR for vari work, a leading trade or mpanies, said on the record osure requirements (View es for disclosing estimated	e. We commend Mess financing mar ovide business ow inancing options. r estimated APR for t trap small business ler small business ler States have endors he first right identi business financir R) when offering for for financing pro more than 50 year s financing, compa isclosing these ration or rate." Research with APR and missing metric that en- ing products regarch ancluding signatori ous types of small ganization represe- cord in 2023 that h w at 1:04:50). Like ed APR for products	Aissouri's lawmakers ketplace in the vners with the In fact, by failing to or their products, the ess owners in nders, brokers, lead sed the Small ified in the BBoR is og providers to inancing. Business ducts since this rs under the federal anies can legally tes to business npanies commonly of from the Federal stakenly select ables true riod, or combination less of their ive financing as required under ies of the Small I business financing. enting factoring and is organization the federal TILA bill, cts that don't have a

merchant cash advance company, sells software that enables any merchant cash advance company to automate these Estimated APR computations. Entrepreneurs need more financing options that will help their businesses thrive, not force them out of business. By requiring comprehensive small business finance disclosures, including APR, Missouri lawmakers would support a healthy business financing market that rewards finance providers for offering the most innovative and affordable products, rather than devising the most misleading pricing information. Financing companies that currently offer costly products with misleading price disclosures may lose business when transparency reveals their prices to be uncompetitive. This would enable more responsible, affordable capital options to enter the market to better support business owners. As a member of the House Committee on Financial Institutions, we urge you to oppose HB2063 in its current form and amend the bill to include APR among the critical information small business owners need to compare and select the best financing option for their needs. We are happy to be a resource to you as you consider improvements to the bill in support of Missouri's small business owners. Sincerely,Miles Zeller



COMMITTEE: Financial Institutions TESTIFYING: □IN SUPPORT OF IN OPPOSITION TO □FOR INF WITNESS NAME BUSINESS/ORGANIZATION:	IFORMATIONAL PURPOSES
WITNESS NAME	NE NUMBER: - <b>565-6107</b>
	-565-6107
BUSINESS/ORGANIZATION	-565-6107
	-565-6107
BUSINESS/ORGANIZATION NAME: JUSTINE PETERSEN HOUSING & REINVESTMENT CORP	
ADDRESS: 1023 N. GRAND BLVD	
CITY: STATE MO	
EMAIL: ATTENDANCE: S rboyle@justinepetersen.org Written 1	SUBMIT DATE: 1/30/2024 3:24 PM
January 29, 2024The Honorable Michael O'Donnell, ChairHouse Committee o W. Capitol Avenue, Room 44-AJefferson City, MO 65101RE: Opposition Misso Financing Disclosure ActDear Chair O'Donnell, Vice Chair Thompson, and mu Committee on Financial Institutions:Justine PETERSEN Housing and Reinvest in opposition to HB2063, the Commercial Financing Disclosure Act as introdu Housing and Reinvestment Corp is committed to expanding access to respon for business owners in Missouri and nationwide. We commend Missouri's law promote a healthy and transparent small business financing marketplace in t currently written, HB2063 would fail to provide business owners with the tran make informed decisions about their financing options. In fact, by failing to ru disclose an annual percentage rate (APR) or estimated APR for their products the same harmful and deceptive practices that trap small business owners in threaten their livelihoods.More than 100 small business lenders, brokers, lead advocacy organizations from across the United States have endorsed the Sm Bill of Rights and agreed to uphold them. The first right identified in the BB00 Transparent Pricing and Terms, which calls for small business financing prov seven key terms (including APR or estimated APR) when offering financing. E come to expect APR and other standard information for financing products s been legally required for consumer products for more than 50 years under th Act (TILA). Since TILA doesn't apply to business financing, companies can le annual percentage rates (APRs) without ever disclosing these rates to busine absence of required disclosures for business finance products, companies can le annual percentage rates (APRs) without ever disclosing these rates to busine absence of nequired disclosures for business finance products, companies can le annual percentage rates (APRs) without ever disclosing these rates to busine absence of required disclosures for business finance products, companies co pricing terms such as "simple interest" and "factor rate." R	ouri HB2063, Commercial nembers of the House estment Corp. writes today luced. Justine PETERSEN onsible financing options wmakers for their efforts to the state. Unfortunately, as nsparency they need to require a provider to ts, the bill would facilitate n unsustainable debt that ad generators, and mall Business Borrowers' or is the Right to oviders to clearly disclose Business owners have since this information has he federal Truth in Lending egally charge triple-digit tess owners. In the commonly advertise novel a Federal Reserve reveals elect costlier products comparison between tation of interest and cheir structure, fees, or term ducts for consumers have Many commercial usiness Borrowers' Bill of

regulations provide guidelines for disclosing estimated APR for products that don't have a fixed term and alert customers to the fact that their actual costs might differ. Rapid Finance, a leading merchant cash advance company, sells software that enables any merchant cash advance company to automate these Estimated APR computations. Entrepreneurs need more financing options that will help their businesses thrive, not force them out of business. By requiring comprehensive small business finance disclosures, including APR, Missouri lawmakers would support a healthy business financing market that rewards finance providers for offering the most innovative and affordable products, rather than devising the most misleading pricing information. Financing companies that currently offer costly products with misleading price disclosures may lose business when transparency reveals their prices to be uncompetitive. This would enable more responsible, affordable capital options to enter the market to better support business owners. As a member of the House Committee on Financial Institutions, we urge you to oppose HB2063 in its current form and amend the bill to include APR among the critical information small business owners need to compare and select the best financing option for their needs. We are happy to be a resource to you as you consider improvements to the bill in support of Missouri's small business owners. Sincerely yours, Robert Boyle