On the Small Business Market

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The Conference of State Bank Supervisors ("CSBS" or "state regulators") appreciates the opportunity to comment on the Consumer Financial Protection Bureau's ("CFPB" or "Bureau") request for information regarding the small business lending market and section 1071 of the Dodd-Frank Wall Street Reform and Consumer Protection Act ("DFA 1071"). CSBS is the nationwide organization of state banking and financial services regulators from all 50 U.S. states, the District of Columbia, Guam, Puerto Rico, and the U.S. Virgin Islands. State regulators are the chartering, licensing and supervisory authorities for over 78% of the banks in the United States and over 20,000 non-depository financial services providers.

State regulators are charged with protecting consumers and ensuring the safety and soundness of the financial institutions they supervise. In addition, many state regulators have an additional responsibility to promote local economic development. Of the 4,537 state-chartered banks, 93% are community banks according to the FDIC's research definition1 . These banks hold a relatively small percentage of total industry assets, but are responsible for more than 45% of small loans to businesses. State regulators firmly believe that lending should be fair, and all qualified small business owners should have access to credit. However, state regulators are concerned that new small business data collection requirements pursuant to DFA 1071 will have a disproportionate impact on community banks and impede access to credit by small businesses.

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