

Banking Committee JOINT FAVORABLE REPORT

Bill No.: SB-272

Title: AN ACT REQUIRING CERTAIN FINANCING DISCLOSURES.

Vote Date: 3/15/2022

Vote Action: JOINT FAVORABLE Substitute

PH Date: 3/10/2022

File No.: 150

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SPONSORS OF BILL:

Banking Committee

REASONS FOR BILL:

This bill is meant to provide more guidelines and regulations regarding financial disclosures. It is intended to help small businesses. This bill will bring more standardized disclosures, specifically through the annual percentage rates. This transparency will help businesses make better and more responsible decisions.

RESPONSE FROM ADMINISTRATION/AGENCY:

None Expressed

NATURE AND SOURCES OF SUPPORT:

Tom Mongellow, Art Corey, Fritz Conway from the Connecticut Bankers Association support the bill but want to see it amended. The exemption in the bill should also cover affiliates.

Responsible Business Lending Coalition supports the bill because it will help small businesses make better, and more comparable financial decisions. This will offer protection legislation.

NATURE AND SOURCES OF OPPOSITION:

Richard Gumbrecht, Secure Finance Agency opposes the bill because they want it to be amended and there be a 12-month month delay if the bill is adopted for businesses to adjust. The opposition is due to the APR metric not being completely reliable and wanting the bill to exempt these factors.

Revenue Based Finance Coalition opposes the bill because they believe it will provide misleading “APR” disclosure information to smaller businesses.

Stephen Denis, Small Business Finance Association is opposed to the bill. The metric used will potentially be misleading to small businesses.

Max Behlke, Electronic Transactions Association is opposed to the bill. The ETA is concerned with the amount of time this bill is given to be implemented in businesses. They do not think it will be enough time for commercial financing to comply.

Innovative Lending Platform Association supports the bill. They want easier and more transparent options for small businesses

Reported by: Marissa Martin / Dawn Marzik

Date: 3/28/2022