

Small Business Borrowers' Bill of Rights Attestation Form for Brokers

Summary of Attestation

My organization actively supports and adheres to the *Small Business Borrowers' Bill of Rights* and abides by all of the practices described in the attached Attestation Worksheet. Check all that apply

- The Right to Transparent Pricing and Terms
- The Right to Fair Treatment from Brokers
- The Right to Inclusive Credit Access

Note: You must be able to truthfully check all boxes to be eligible to be posted on the Small Business Borrowers' Bill of Rights Website.

Terms of this Attestation

- a. I have read and understand the *Small Business Borrowers' Bill of Rights*, including the associated Frequently Asked Questions.
- b. I have completed the attached Attestation Worksheet, indicating in writing that my organization abides by all of the enumerated practices.
- c. By completing this Attestation Form and attesting that my organization abides by all of the enumerated practices in the attached Attestation Worksheet, I consent to this Attestation Form and my organization's logo being posted on the Small Business Borrowers' Bill of Rights Website.
- d. I understand that this Attestation Form and my organization's logo may be removed from the Small Business Borrowers' Bill of Rights Website if my organization does not complete and submit an updated Attestation Form within one calendar year from the date of my signature below, and each successive year thereafter.
- e. I agree, on behalf of my organization, that my organization assents to and will be bound by the Terms of Use for the Small Business Borrowers' Bill of Rights Website.
- f. Anyone with questions for my organization regarding this Attestation Form completed by my organization can contact the following individual (include name, title, email address, and phone number):

- g. I attest that the information above is accurate and represents the standard practices for all financing products and services offered through my organization to small businesses. Furthermore, I hereby certify that I am authorized to sign this Attestation Form on behalf of my organization.

Organization Name

Chief Executive Signature

Chief Executive Name

Date

APPENDIX: ATTESTATION WORKSHEET

For an organization to attest that it abides by the *Small Business Borrowers' Bill of Rights*, its chief executive must complete this Attestation Form by signing the Attestation Form and indicating in the check boxes provided that his or her organization abides by each of the practices set forth below.¹

Questions regarding completing the form can be directed to BBOR@smallbusinessmajority.org.

The Right to Transparent Pricing and Terms

Transparent Rate

- Disclose an annualized interest rate or APR.
- Interest rate is defined as all scheduled or periodic financing costs, other than upfront costs, expressed as a percentage of the projected outstanding principal and annualized.
- For a rate to be called APR, Annual Percentage Rate, it must also include upfront and anticipated financing and non-financing charges such as fees related to origination, processing, and closing.
- For lines of credit or other open-ended types of financing, rates must be calculated with reasonable assumptions about use, including assuming that the borrower draws the full amount on the origination date, and makes the minimum payments required.
- If a rate is promotional or introductory, the term sheet or its equivalent should clearly state this, and how the rate could change in the future.
- If the financing does not amortize, an equivalent annualized interest rate or APR should be calculated. Interest rates and APR are a percentage of outstanding principal balance, not the original financing amount.

No Hidden Fees

- Disclose all upfront and scheduled charges.

Plain-English Terms

- Describe all key terms in an easy-to-understand manner, including the loan amount, payment amount and frequency, collateral requirements, and the cost of prepayment.
- If prepayment requires paying financing charges, other than those associated with the specific term the financing was actually used for, this must be disclosed as a prepayment penalty or fee. At the time of payoff, if a fixed repayment amount is charged, with or without a discount, the remaining contractual payments should be disclosed as a prepayment penalty or fee.

Clear Comparison

- Present all of these pricing and other key terms clearly and prominently, in writing, to the borrower when the loan offer is summarized for the borrower and whenever a term sheet, offer summary, or equivalent is provided.

¹ The term "loan" and related terms used here such as "lending" are intended to be interpreted in the broadest sense possible so as to include loans, lines of credit, merchant cash advances, and similar products offered and provided to U.S. small businesses, whether or not such credit products are characterized legally or otherwise as loans. Similarly, the terms "lender" and "borrower" are intended to be interpreted in the broadest sense possible so as to include, in the case of lenders, credit marketplaces that facilitate loans on behalf of lenders, cash advance providers, and all manner of persons providing loans to U.S. small businesses or evaluating the creditworthiness of such small businesses in connection with providing a loan, and, in the case of borrowers, all U.S. small businesses who seek or obtain a loan.

The Right to Fair Treatment from Brokers

- Transparent Loan Options**
 - Disclose all loan options for which the borrower qualifies through the broker's services, emphasizing the lowest APR option, and disclose all lenders to which the broker sends loan applications on the borrower's behalf.
- Transparent Broker Fees**
 - Disclose all compensation paid to the broker, and all charges that will be paid directly or indirectly by the borrower, whether paid up front or financed in the loan.
- Transparent Results**
 - Post clearly and prominently on the broker's website the anonymous and aggregated results of borrowers who obtain financing through the brokers' services, in terms of APR and financing product.
- Empower Borrowers to Make Informed Financing Decisions**
 - Educate the borrower on each loan option and ensure that the borrower reasonably understands the cost and terms as well as the pros and cons of financing decisions before they sign a loan document. Brokers should use tools that help the potential borrower comparison shop, including APRs and loan calculators.
- Disclosure of Conflicts of Interest**
 - Disclose any conflicts of interest, the broker's fee structure, and any financial incentives they have, including whether the broker receives higher fees for brokering certain loans. Brokers who are paid higher fees with certain lenders, loan types, or terms other than the size of the loan, may not state they are acting in the best interest of the potential borrower.
- No Fees for Failure**
 - No fees can be charged to the potential borrower if the broker is unable to find them a loan and if the borrower does not accept a loan secured through the broker's services.

The Right to Inclusive Credit Access

- Non-Discrimination**
 - Respect the letter and intent of fair lending laws, including the Equal Credit Opportunity Act. Do not discriminate against small business owners on the basis of race, color, religion, national origin, sex, marital status, age, sexual orientation or identity, or any other protected class. Lesbian, Gay, Bisexual and Transgender (LGBT) small business owners deserve the same protection when seeking or obtaining credit.