

**AMERICAN BEVERAGE LICENSEES  
AMERICAN SOCIETY OF TRAVEL AGENTS  
ASSOCIATED GENERAL CONTRACTORS OF AMERICA  
CONSUMER FEDERATION OF AMERICA  
DÉMOS: A NETWORK FOR IDEAS & ACTION  
FOOD MARKETING INSTITUTE (FMI)  
NATIONAL ASSOCIATION FOR THE SELF-EMPLOYED  
NATIONAL ASSOCIATION OF THEATRE OWNERS  
NATIONAL BLACK CHAMBER OF COMMERCE  
NATIONAL COMMUNITY REINVESTMENT COALITION  
NATIONAL CONSUMER LAW CENTER (ON BEHALF OF ITS LOW INCOME CLIENTS)  
NATIONAL SMALL BUSINESS ASSOCIATION (NSBA)  
SMALL BUSINESS LEGISLATIVE COUNCIL  
SMALL BUSINESS MAJORITY  
U.S. HISPANIC CHAMBER OF COMMERCE  
U.S. PIRG  
U.S. WOMEN'S CHAMBER OF COMMERCE**

September 24, 2009

The Honorable Neil Abercrombie  
United States House of Representatives  
Washington, D.C. 20515

Dear Congressman Abercrombie:

The undersigned organizations strongly support the *Small Business Credit Card Act of 2009 (H.R. 3457)*, which would guarantee explicitly that the safeguards codified recently by the U.S. Congress would protect the cards used by America's small-business owners.

Although the credit cards of many—if not most—small-business owners are based on the individual owner's personal credit history, it is conceivable that issuers could legally consider them exempt from the credit-card reform legislation signed earlier this year by the president. This is due to the law amending the *Truth in Lending Act (TILA)*, which for the most part applies only to “consumer” and not business credit cards.

*TILA* defines a “consumer” as a “natural person who seeks or acquires goods, services, or money for personal, family, household use other than for the purchase of real property.” While a small-business owner who opens a personal credit-card account and uses it occasionally for business should be covered under *TILA*, it is far from clear that this law will protect a small-business owner who uses his/her card exclusively or even primarily for business purposes.

Eighty-six percent of the respondents to NSBA's 2009 Small Business Credit-Card Survey reported using their consumer or business credit-cards primarily or exclusively for business purposes.

While issuers historically have kept most of their small-business cards in compliance with *TILA*, there is no guarantee this convention will continue, especially when one considers that its basis appears to have

been practicality and not legal obligation. Without the *Small Business Credit Card Act of 2009*, the recent reforms could inadvertently provide an incentive for issuers to break from this precedent.

Congress must correct this oversight and extend equal protection to the small-business cards of employers with 50 or fewer employees. It is inconceivable that Congress would knowingly allow issuers to perpetuate—with impunity—practices recognized as “unfair” and “deceptive” against America’s small-businesses.

America’s economy is dependent on a thriving small-business community and entrepreneurs increasingly are reliant on credit cards, which are now the most common source of financing for America’s small-business owners. Over half of small- and mid- sized business owners use credit cards to finance their firms.

We urge you to support the *Small Business Credit Card Act of 2009 (H.R. 3457)*.

Sincerely,

American Beverage Licensees

American Society of Travel Agents

Associated General Contractors of America

Consumer Federation of America

Dēmos: A Network for Ideas & Action

Food Marketing Institute (FMI)

National Association for the Self-Employed

National Association of Theatre Owners

National Black Chamber of Commerce

National Community Reinvestment Coalition

National Consumer Law Center (on behalf of its low income clients)

National Small Business Association

Small Business Legislative Council

Small Business Majority

U.S. Hispanic Chamber of Commerce

U.S. PIRG

U.S. Women's Chamber of Commerce