

**NATIONAL SMALL BUSINESS ASSOCIATION
AMERICAN BEVERAGE LICENSEES
CENTER FOR RESPONSIBLE LENDING
CONSUMER ACTION
CONSUMER FEDERATION OF AMERICA
DÉMOS: A NETWORK FOR IDEAS & ACTION
FOOD MARKETING INSTITUTE (FMI)
NATIONAL ASSOCIATION OF COLLEGE STORES
NATIONAL ASSOCIATION OF THEATRE OWNERS
NATIONAL COMMUNITY REINVESTMENT COALITION
NATIONAL CONSUMER LAW CENTER (ON BEHALF OF ITS LOW INCOME
CLIENTS)
PETROLEUM MARKETERS ASSOCIATION OF AMERICA
U.S. HISPANIC CHAMBER OF COMMERCE
U.S. PIRG**

April 29, 2009

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

Dear Representative:

The undersigned organizations strongly support the Lowey-Abercrombie Amendment to *H.R. 627, the Credit Cardholders' Bill of Rights Act of 2009*, which would guarantee that the safeguards codified by the bill would apply to 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 *H.R. 627's* vital protections, since the bill amends 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

legislation would protect a small-business owner who used his card exclusively or even primarily for business purposes.

Historically, issuers appear largely to have kept most of their cards in compliance with *TILA*, but 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 Lowey-Abercrombie Amendment, *H.R. 627* could inadvertently provide an incentive for issuers to break from this precedent.

Congress must correct this oversight and extend the protections of *H.R. 627* to the small-business cards of employers with fewer than 500 employees. It is inconceivable and unconscionable 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. Nearly half of small- and mid-sized business owners use credit cards to finance their firms.

We urge you to support the Lowey-Abercrombie Amendment to *H.R. 627*, the *Credit Cardholders’ Bill of Rights Act of 2009*.

Sincerely,

National Small Business Association
Center for Responsible Lending
Consumer Action
Consumer Federation of America
Dēmos: A Network for Ideas & Action
Food Marketing Institute (FMI)
National Association of College Stores
National Association of Theatre Owners
National Community Reinvestment Coalition
National Consumer Law Center (on behalf of its low income clients)
Petroleum Marketers Association of America
U.S. Hispanic Chamber of Commerce
U.S. PIRG