

**Comments in Support  
Consumer Financial Protection Agency  
Margot Dorfman, CEO – U.S. Women's Chamber of Commerce  
Wednesday, December 9, 2009  
Rayburn House Office Building, Room 2255**

The extraordinary abuse of small businesses and every day Americans by a financial industry that has taken unwarranted profits through ruthless predatory practices must be stopped. It is time for our Congressional leaders to act to support the financial protection and wellbeing of all Americans.

Our leaders must act swiftly to restore the integrity of our financial institutions and our trust in the use of credit and lending so that we can bring back financial stability and job creation. The U.S. Women's Chamber of Commerce believes the establishment of a strong Consumer Financial Protection Agency (CFPA) is a crucial step in restoring the trust we need to rebuild a thriving American economy. The CFPA will benefit business, especially small businesses, which create most of the nation's new jobs.

Our members have been hit hard by the continuing crisis in business and consumer lending. Business loans -- which are down by 17 percent since October 2008 -- are still falling. And small business owners often rely on personal credit -- such as personal credit cards and home equity loans -- to start, run and expand their business.

Our members have been rocked by waves of credit contraction, foreclosures and business closures affecting them, their customers, suppliers, the communities they do business in, and their families.

I am hearing from our members how hard it is to get credit for their businesses. Some have been forced out of business. Others are struggling everyday to keep doors open. Many of our members can't expand their businesses even though they have viable business opportunities because they cannot access the credit needed to capitalize on their opportunities. Even with orders and contracts in hand, they can't get credit needed to hire new workers, buy new equipment, and add necessary business infrastructures.

And, the unscrupulous practices of the credit card industry have delivered another hard blow, as unwarranted credit rate escalation, increased fees, and credit availability have left many women-owned firms not able to manage their day-to-day purchases.

Lenders offering sound mortgages and other credit were undercut by those pushing misleading products with hidden risks. Women business owners and consumers have been hurt especially hard by predatory lending.

- Women were 32 percent more likely to have received subprime mortgages of all types than men, regardless of income.
- Women were 41 percent more likely than men to have received higher-cost subprime loans, regardless of income.

Millions of women business owners, who used their home equity to secure small business loans, are now at risk of losing *both* their homes and their businesses.

The reckless practices of our financial industry have devastated businesses, families and our economy.

Elizabeth Warren sums up the toll very well: "Today, one in five Americans is unemployed, underemployed or just plain out of work. One in nine families can't make the minimum payment on their credit cards. One in eight mortgages is in default or foreclosure. One in eight Americans is on food stamps. More than 120,000 families are filing for bankruptcy every month. The economic crisis has wiped more than \$5 trillion from pensions and savings, has left family balance sheets upside down, and threatens to put ten million homeowners out on the street."

A disproportionate number of those suffering are women. Women, who were already at a higher risk for retirement insecurity, are now terrified about what the future will hold.

We cannot let the financial practices that drove us to this disaster continue. There will be no real recovery for business, and for women generally, if they do. The next crisis, when it comes, will be even worse.

Business owners and consumers need the security of knowing that the costs and risks of financial products, services, and lending are fully and fairly disclosed. We need a strong, independent federal agency to promote financial product safety and establish clear enforceable rules of the road. We need Congress to act now to protect us, and restore a climate through which our economy can grow, through establishing a strong Consumer Financial Protection Agency.