



**ASSEMBLY STANDING COMMITTEE ON BANKS
ASSEMBLY STANDING COMMITTEE ON SMALL BUSINESS
ASSEMBLY STANDING COMMITTEE ON CONSUMER AFFAIRS & PROTECTION**

NOTICE OF PUBLIC HEARING

SUBJECT: Small Business Online Lending Practices

PURPOSE: To examine the online lending marketplace in relation to small business access to capital.

**Monday, April 11, 2016
10:00 A.M.
Assembly Hearing Room C
Legislative Office Building, Albany, NY 12210**

On December 17, 2015, the New York State Assembly Standing Committees on Banks and Small Business held a hearing on the state of small business access to credit. Witnesses discussed the problems small businesses are having accessing credit from traditional sources, as well as the potential benefits and challenges associated with the online lending marketplace. In New York, the U.S. Department of Commerce estimates that over 400,000 enterprises qualify as small businesses, comprising 97 percent of the State's established firms with 100 or fewer people. In the most recent recession, many small businesses in New York were unable to access the credit necessary to start or expand their enterprises. While the State's economy continues to improve, small business access to traditional forms of credit has reportedly not kept pace, leading many small business owners to seek alternative sources of capital from sources such as online lenders.

In the period from 2010 to 2014, the national online lending marketplace grew from \$1 billion to over \$12 billion as estimated by a recent U.S. Treasury Request For Information issued on July 20, 2015. Over the next decade, numerous financial studies suggest that the online lending marketplace could expand to over \$122 billion. Online loans have the potential to provide entrepreneurs with faster and more accessible sources of capital, but there is also the potential for some small businesses to be exploited by the lack of transparency and disclosure of interest rates, fees, and loan terms which may result in a short-term solution becoming a long-term financial burden.

This hearing will examine: the role of online lending; whether existing statutes and regulatory practices are sufficient to meet the changing financial landscape and protect small businesses; and, how to help small businesses navigate this evolving marketplace.

Persons wishing to present pertinent testimony to the Committees at the above hearing should complete and return the enclosed reply form as soon as possible. It is important that the reply form be fully completed and returned so that persons may be notified in the event of emergency postponement or cancellation.

Oral testimony will be limited to 10 minutes' duration. In preparing the order of witness, the Committees will attempt to accommodate individual requests to speak at particular times in view of special circumstances. These requests should be made on the attached reply form or communicated to the staff as early as possible. Ten copies of any prepared testimony should be submitted at the hearing registration desk. The Committees would appreciate advance receipt of prepared statements.

In order to further publicize these hearings, please inform interested parties and organizations of the Committees' interest in hearing testimony from all sources.

In order to meet the needs of those who may have a disability, the Assembly, in accordance with its policy of non-discrimination on the basis of disability, as well as the 1990 Americans with Disabilities Act (ADA), has made its facilities and services available to all individuals with disabilities. For individuals with disabilities, accommodations will be provided, upon reasonable request, to afford such individuals access and admission to Assembly facilities and activities.

**Annette M. Robinson
Member of Assembly
Chair, Assembly Standing
Committee on Banks**

**Fred W. Thiele, Jr.
Member of Assembly
Chair, Assembly Standing
Committee on Small Business**

**Jeffrey Dinowitz
Member of Assembly
Chair, Assembly Standing
Committee on Consumer
Affairs & Protection**

PUBLIC HEARING REPLY FORM

Persons wishing to present testimony at the public hearing on Small Business Online Lending Practices are requested to complete this reply form as soon as possible and mail, email or fax it to:

Kendall Jacobsen
Committee Assistant
Assembly Standing Committee on Banks
Room 513 - Capitol
Albany, New York 12248
Email: jacobsenk@assembly.state.ny.us
Phone: (518) 455-4355
Fax: (518) 455-7250

- I plan to attend the following public hearing Small Business Online Lending Practices conducted by the Assembly Committees on Banks, Small Business, and Consumer Affairs & Protection on **April 11, 2016**.
- I plan to make a public statement at the hearing. My statement will be limited to 10 minutes, and I will answer any questions that may arise. I will provide 10 copies of my prepared statement.
- I will address my remarks to the following subjects:

- I do not plan to attend the above hearing.
- I would like to be added to the Committee mailing lists for notices and reports.
- I would like to be removed from the Committee mailing lists.
- I will require assistance and/or handicapped accessibility information.

Please specify the type of assistance required: _____

NAME: _____

TITLE: _____

ORGANIZATION: _____

ADDRESS: _____

E-MAIL: _____

TELEPHONE: _____

FAX TELEPHONE: _____