

September XX, 2016

TO THE MEMBERS OF THE UNITED STATES CONGRESS:

The undersigned chambers of commerce and organizations represent thousands of small businesses and are deeply concerned about financial regulations that are cutting off Main Street businesses from credit and the financial resources they need to grow and create jobs. We ask Congress to address these issues to help more entrepreneurs get their start-ups off the ground and assist business owners as they manage and expand their companies. These actions are necessary to break the cycle of anemic growth, low productivity, and lack of labor participation that have become a drag on the economy.

We all agree that financial stability is a necessary building block for a prosperous economy. However, policymakers have forgotten that stability is not possible without growth. New regulatory regimes that have been placed upon small, medium, and regional banks have tried to promote stability without taking into account the potential negative impacts on growth and consequences for Main Street.

Main Street businesses use a variety of financial institutions to meet their capital, credit, and cash management needs. These businesses also rely on a wide array of services, including consumer financial products, to grow or simply make payroll. However, as new rules are imposed on small, medium, and regional banks, the customers of those institutions have suffered as costs have been raised, the flow of capital has slowed, and many services and products have been terminated.

The consequences of those actions have depressed Main Street business activity. This has macro-impacts upon the economy as Main Street businesses and new start-ups create jobs and represent 97% of all employers. Yet regulators have ignored these Main Street issues to the detriment of economic growth and thereby undercutting their own efforts to assist the stability of the financial sector.

We believe that Congress should help Main Street by addressing this rigid “one size fits all system” that harms the small, medium, and regional banks and their customers—America’s small businesses. Those actions should be taken before the end of this year if possible, or at the start of the next Administration at the latest. If we are going to restart the engine of economic growth, we must empower Main Street businesses and Washington must stop kicking the can down the road.

We hope you can join in this effort and our organizations look forward to working with you to accomplish these goals.