



December 6, 2022

The Honorable Maxine Waters  
Chairwoman  
House Committee on Financial Services  
2221, Rayburn House Office Building  
Washington, D.C. 20515

The Honorable Patrick McHenry  
Ranking Member  
House Committee on Financial Services  
2004 Rayburn House Office Building  
Washington, D.C. 20515

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Ramiro A. Cavazos  
President & CEO

**Re: U.S. Hispanic Chamber of Commerce testimony for the hearing titled: “Unfinished Business: A Review of Progress Made and a Plan to Achieve Full Economic Inclusion for Every American”**

Dear Chairwoman Waters and Ranking Member McHenry,

Thank you, Chairwoman Waters and Members of this Committee, for the opportunity to share this testimony on behalf of the United States Hispanic Chamber of Commerce (USHCC).

The USHCC is the nation’s largest Latino business advocacy organization and works to actively promote the economic growth, development, and interests of more than five million Hispanic-owned businesses that, combined, contribute over \$800 billion to the American economy each year. We operate through a network of more than 260 local chambers and business associations throughout the nation and have partnerships with more than 200 major global corporations.

Over the past three years, the USHCC has worked diligently through this Committee and with Congress to ensure that our Hispanic voices around the country are heard and that all minorities have a seat at the decision-making tables in America. Today, we want to recognize the critical role that this Committee has played, under the leadership of Chairwoman Waters, to bring the much-needed help and relief to our small and minority-owned businesses during and after the unprecedented COVID-19 global pandemic and its economic ramifications.

This Committee’s work has been transformational in the economic recovery, inclusion, and business scaling abilities of more than twelve million minority businesses in our country. The USHCC has been an active voice and collaborating partner with the Chair and this Committee’s respective members in obtaining deliberate, meaningful, and sustainable impact for our constituencies:

- 1- On April 20, 2022, the USHCC sent a letter to the U.S. Senate, urging legislators to restore funding for the State Small Business Credit Initiative (SSBCI) that was cut as part of the Bipartisan COVID Supplemental Appropriations Act.
- 2- On August 2, 2021, the USHCC expressed our public support for the codification of the Minority Business Development Agency (MBDA) at the Department of Commerce. This historic move will impact the generational wealth and growth of minority businesses for decades to come. It also presents a unique opportunity to create equity in federal government contracting and provide the necessary technical assistance for minority entrepreneurs to expand their contributions to our economic vibrancy.
- 3- Throughout 2020 and 2021, we conducted a series of advocacy requests to this Congress concerning the Paycheck Protection Program (PPP) to ensure the maximization of this program that helped to sustain so many minority businesses during the pandemic.
- 4- Since 2020, the USHCC has also advocated for specific policies that would empower and expand the reach of Community Development Financial Institutions (CDFIs) who have a critical role in assisting the most underserved communities in our country. CDFIs have many times acted as the principal beacon in financial services that have allowed minorities, women, disabled veterans, and rural entrepreneurs to start or scale their business. The funding that was afforded to CDFIs under the CARES Act graduated them into the next phase of their service evolution.

As we enter a new era of Congressional representation, we must sustain and affirm the importance of funding financial institutions that serve the most vulnerable people who drive the American economy. The USHCC strongly believes in equitable economic opportunities for all. The work of this Committee has brought the American people closer to achieving that equity. We have made huge

legislative strides to correct the economic injustices of our past and must not sit on the sidelines of American economic history while we still have so much work to do collectively. This work should not be politicized, rather it should be approached in a bipartisan manner to reflect the economic needs of America's more than 33 million small and 12 million minority-owned businesses.

- 1- Even though Latinos start businesses at three times the national rate, we are still not being met with the same lending opportunities as our non-Latino counterparts. We must ensure that our businesses can access affordable credit just like their white peers. We believe that establishing more accountability and oversight in credit reporting will lead to the empowerment of many unserved and underserved individuals in our country. The USHCC will continue to support all efforts being made by Congress to address this issue with innovative solutions such as:
  - a. H.R. 4112, the "Clarity in Credit Score Formation Act" that would strengthen the Consumer Financial Protection Bureau's supervision of credit scores and credit scoring models and direct them to study the impact of using alternative data in credit scoring models, or
  - b. The "Protecting Your Credit Score Act" that would require the three largest consumer reporting agencies to establish a joint online portal that gives consumers free and unlimited access to their consumer reports and credit scores.
- 2- The USHCC has long recognized the vital role that the Community Reinvestment Act (CRA) plays in offering an equitable market instrument to encourage innovation and equity investments. We understand the opportunity that CRA represents and believe that it has the potential to do a lot more for our community. This year, the USHCC submitted a public comment with specific requests on the Small Business and Economic Development Provisions of the CRA. We sustain that if the CRA is modernized and reformed in a way that allows minorities to have more access, it will produce greater economic outcomes in the marketplace. At the same time, we will continue to get behind bills such as:
  - a. H.R. 8833, the "Making Communities Stronger through the Community Reinvestment Act" that would revise CRA rules to ensure that bank loans and investments are meaningful and responsive to the needs of low and moderate-income communities, communities of color, and meeting the local needs of communities where banks have branches and issue most of their loans, and
  - b. The "Community Reinvestment Reform Act". This bill would require independent mortgage companies to take CRA exams, codify community benefits agreements, specify conditions under which a bank may receive a downgrade and be required to create an improvement plan, and require disclosure of deposits from low and medium-income communities.
- 3- Finally, this Committee has been key in furthering our efforts to bring accountability and oversight to financial services organizations around the country such as banks, insurance companies, and investment firms, who have historically neglected minority-owned firms in their supplier spending.

America was founded upon the promise of equal opportunity for all. As Hispanics, we embrace that opportunity and work with an unparalleled work ethic and passion. It is our role as advocates to identify the obstacles of our community and voice them to our country's decision makers. We rely on you, our Lawmakers to establish the necessary mechanisms, not to achieve an unrealistic level of equity, but to demand transparency, and accountability in the process. The Subcommittee on Diversity and Inclusion has been key in our ability as advocacy organizations to collaborate with and identify meaningful solutions for Congressional consideration to address the plague of inequities that have affected minority wealth generation for decades.

Thank you for your service in supporting our Hispanic, small, and minority-owned businesses across the United States. We commend you for your ongoing leadership and look forward to continuing to work with Congress to create an equitable economic future for all.

Respectfully,



C. LeRoy Cavazos-Reyna, MPA  
Vice President of Government and International Affairs