



May 6, 2010

Dear Senator:

I write on behalf of the members of the International Franchise Association (IFA) to strongly urge you to support Senate Amendment 3826 to S. 3217, the "Restoring America's Financial Stability Act" offered by Sen. Richard Shelby and Sen. Mitch McConnell. This amendment will ensure that new financial regulations are appropriately focused on banks and not small franchised businesses on Main Street. Therefore, **the IFA will consider votes on this measure among our list of "Key Votes."**

As the largest and oldest franchising trade group, the IFA's mission is to safeguard the business environment for franchising worldwide. IFA represents more than 85 industries, including more than 11,000 franchisee, 1,200 franchisor and 600 supplier members nationwide. According to a 2008 study conducted by PricewaterhouseCoopers, there are more than 900,000 franchised establishments in the U.S. that are responsible for creating 21 million American jobs and generating \$2.3 trillion in economic output.

We have significant concerns with the scope of the proposed new Consumer Financial Protection Bureau (CFPB). As drafted, the Bureau would be a duplicative federal regulator with broad jurisdiction over consumer financial products or services. For example, Title X Section 1027, will extend authority to certain retail and franchise small businesses that extend credit or extended payment plans to customers for the purchase of goods and services. Small businesses that offer consumers the flexibility to afford goods and services did not lead to nor cause the economic collapse.

Due to the tightening of credit for small businesses, several franchise systems that normally do not extend financing to existing and potential franchisees have been forced to create solutions for the failures in the small business lending marketplace. Small franchised businesses on Main Street did not cause the economic collapse and subsequent recession. These firms are struggling to grow and provide economic opportunity in communities across the country. The Senate should promote an environment that allows our small businesses to grow and create jobs. We support this amendment that will focus new regulatory scrutiny where it belongs.

Any new regulatory authority intended for financial services companies should not impose significant and costly new burdens on thousands of nonfinancial businesses that are already, and will continue to be, regulated by the Federal Trade Commission. We respectfully urge all Senators to support this amendment. **The IFA urges you to support the Shelby-McConnell amendment to S. 3217, the "Restoring America's Financial Stability Act," and we will consider all votes on this amendment among our annual list of "Key Votes."**

Sincerely,

A handwritten signature in black ink that reads "David French".

David French  
Vice President, Government Relations