



U.S. Chamber of Commerce



MARKETPLACE LENDING ASSOCIATION



CONSUMER BANKERS ASSOCIATION



CALIFORNIA REINVESTMENT COALITION



EQUIPMENT LEASING AND FINANCE ASSOCIATION



California Association for Micro Enterprise Opportunity



ELECTRONIC TRANSACTIONS ASSOCIATION



Advancing Economic Security and Community Prosperity



SMALL BUSINESS MAJORITY



RESPONSIBLE BUSINESS LENDING COALITION



Innovative Lending Platform Association

October 2, 2018

Senator Orrin Hatch
219 Dirksen
Washington, DC 20510

Senator Ron Wyden
219 Dirksen
Washington, DC 20510

Senator Mike Crapo
534 Dirksen
Washington, DC 20510

Senator Ron Portman
338 Russell
Washington, DC 20510

Senator Ben Cardin
509 Hart
Washington, DC 20510

Senator Cory Booker
359 Dirksen
Washington, DC 20510

Representative Kevin Brady
1102 Longworth
Washington, DC 20215

Representative Richard Neal
1102 Longworth
Washington, DC 20215

Representative Patrick McHenry
2334 Rayburn
Washington, DC 20215

Re: IRS Modernization – Please Pass S. 1958 / H.R. 3860 / H.R. 5444 This Session To Aid Small Businesses

Dear Chairman Hatch, Ranking Member Wyden, Chairman Crapo, Senator Portman, Senator Cardin, Senator Booker, Chairman Brady, Ranking Member Neal, and Deputy Whip McHenry,

We are a diverse coalition of organizations writing in appreciation your strong support for technology modernization at the Internal Revenue Service. You have all been leaders on this issue, which has great potential ensure that taxpayer information is handled more securely and efficiently for the digital age.

We believe that one key area of IRS modernization, S. 1958 and H.R. 3860, the IRS Data Verification Modernization Act of 2017, can bring added security while also helping improve the economy. The IRS data modernization provisions of S. 1958 and H.R. 3860 are also now included in H.R. 5444, which passed by bipartisan a vote of 414-0 and is awaiting Senate action. If signed into law, this bill would help to

deliver critically needed access to capital for small businesses and the Main Street economy, while making the IRS third-party income verification process more secure for American taxpayers. As you know, an upgrade to the IRS's existing data verification program could have profound benefits. In short, replacing the IRS's current data transfer delays with an up-to-date, real-time system, could provide the country with:

- *Increased access to capital and financial inclusion* – By making it possible for tax return data to be accessed instantly as part of a loan application process, many more small businesses could be recognized as creditworthy. This would especially benefit the underserved borrowers overlooked because of their lower credit scores, but whose tax data and income would indicate creditworthiness.
- *Lower prices for borrowers* – The addition of rich tax data, delivered securely in real time, would help credit models become more accurate, leading to lower prices.
- *Easier borrowing process* – An instant process would reduce paperwork required of busy business owners. They would receive loan proceeds faster, eliminating the current system's days or weeks of delay.
- *Safer financial system* – Instant access to this data could significantly increase the rate of income verification, enable better informed and more responsible underwriting, and reduce the risk of document fraud, further contributing to safer loans and lower costs.

If the Senate can pass any IRS modernization package this Congress with sufficient time remaining before January, we believe a perfected form of the bill can be finalized in a conference with H.R. 5444. With such benefits to small businesses, and strong bipartisan, bicameral support, it would be a great loss if this issue were left aside for a future Congress to grapple with. We urge you to find a way to pass this legislation before this Congress ends.

We thank you again for your leadership.

Sincerely,

The United States Chamber of Commerce
The Marketplace Lending Association
The Consumer Bankers Association
California Association of Micro Enterprise Organizations
Opportunity Fund
Accion
Financial Innovation Now
Electronic Transactions Association
The Responsible Business Lending Coalition
The Innovative Lending Platform Association
Woodstock Institute
Greenlining Institute
California Reinvestment Coalition
The Equipment Leasing and Financing Association
Craft3
Small Business Majority