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**To:** [SenateFIICommittee@csga.com](mailto:SenateFIICommittee@csga.com)

**Cc:** Senate Financial Institution-Insurance <[S.Financial.Insurance@Senate.ks.gov](mailto:S.Financial.Insurance@Senate.ks.gov)>; Derek Hein <[derek@csga.com](mailto:derek@csga.com)>; Holli Schletzbaum <[holli@csga.com](mailto:holli@csga.com)>

**Subject:** SB 345 Follow-Up - Commercial Financing Disclosures in Kansas

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Dear Members of the Senate Committee on Financial Institutions and Insurance,

Thank you for the hearing and the excellent questions on the Commercial Financing Disclosure Act (SB 345) last Wednesday. There were questions raised by the committee on the impact of this disclosure act here in Kansas, and how this bill will help Kansas businesses in connection. We have gone back to our member organizations to gather the information listed below:

- Overall, members of the Revenue Based Financing Coalition (RBFC) member companies have originated approximately \$36 million to nearly 2,000 businesses in Kansas to date.
- According to the information from one of our largest member companies, they personally have funded 645 businesses in KS to date for about \$13 million in financing. The other RBFC member companies of that same size and volume report similar funding numbers to Kansas businesses.
- Data indicates that these are the industries in Kansas that have received the most amount of financing from RBFC member companies to date:
  - Building cleaning & maintenance services
  - Carpet & upholstery cleaning services
  - Concrete work special trade contractors
  - Restaurants
  - General automotive repair shops
  - General contractors – single family houses
  - Grocery stores
  - Home health care services
  - Insurance agents, brokers, & services
  - Land subdividers & developers
  - Management consulting services
  - Retail stores
  - Real estate agents & managers
  - Roofing, siding, & sheet metal work – special trade contractors
  - Trucking services
- To protect the privacy of small businesses who have sought financing, we aren't disclosing any personal identification information, but we are happy to follow-up these numbers with additional information if requested.

- To reiterate, these businesses in the industries above who receive commercial financing from revenue-based financing companies, and other types of non-bank commercial financing, will be further protected from bad actors with the disclosure standards we are advocating for to become law.
- Lastly, these numbers only reflect RBFC member company data. They do not reflect numbers or metrics from the entire industry. These numbers are also only representative of the revenue-based financing/sales-based financing industry – not other non-bank commercial financing companies.

I would also like to note that we have worked with the Office of the State Banking Commissioner and the Kansas Bankers Association to make sure that there that SB 345 doesn't have an unintended impact on any other financial industry.

Thanks again for your time, and please let me know if you have any further questions.

Best,

John

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