

Briefly...

■ SSA Globe Yearbook

This year the SSA is proud to introduce the *SSA Globe Yearbook*. This will include the annual Membership Directory, industry statistics and highlights from the *SSA Globe* news and features throughout the year. Look for it in December!

■ Jackson Hole

SSA's 24th Annual Winter Executive Ski Workshop is set for Jackson Hole, Wyoming, January 24–28. It's an exciting location this year with not only incredible skiing, but also tremendous sightseeing opportunities. The program is geared to self storage owners who are eager to strengthen their knowledge of the industry, hear what's on the horizon, gain insights on facility operations and find out about some of the most critical challenges the industry is facing today. Visit the SSA website — selfstorage.org — for more information.

■ SSA Globe Online

Your *SSA Globe* is now an online magazine. Check out this edition and past issues at www.ssaglobe.org. Thank you to the advertisers who support the magazine, helping you to stay informed about the latest developments in the self storage industry.



Consumer Financial Protection Act Could Affect Small Businesses, Real Estate Brokers

By Tim Dietz – SSA VP, Communications & Government Relations

The economic distress that has marked the last 18 months throughout the world has resulted in a plethora of Congressional hearings and proposed measures to protect American consumers. The SSA supports efforts by Congress to improve consumer protections and necessary adjustments to the financial regulatory system. However, like many trade associations that represent small businesses, the Association is concerned that the new Consumer Financial Protection Agency (CFPA) may result in unintended consequences for those small businesses, as well as consumers. According to the U.S. Chamber of Commerce, the new agency will “create a giant new bureaucracy, place heavy burdens on small firms, and limit consumer choice.”

Just about any small business that accepts credit cards, such as self storage operators, or engages in financial transactions, including real estate brokers, could be exposed to new regulatory burdens even if fiscal matters are only a small functional part of their businesses. If certain definitions within the bill are not remedied, the new agency could mire small businesses in regulatory reporting mandates and even legal circumstances ostensibly related to consumer protection.

The U.S. Chamber of Commerce has testified in front of Congress about its concerns with the CFPA, claiming that it:

1. Gives the agency sweeping and ill-defined powers that continue to target businesses outside the consumer financial services industry;
2. Provides the CFPA authority to mandate the financial products offered to consumers;
3. Fails to resolve conflicts between the CFPA and other financial regulators, continuing the status quo in the current broken system; and

See CFPA, page 24

PacEase

... The Easiest Way to Improve Your Profits!

Our Retail Products Sell Themselves



Encourage Referral Business with Our Private Label Program



Quality Locks at Affordable Prices



- Self Storage Supplies
- Moving Equipment
- Nationwide Distribution
- One Stop Shopping

by
CDS MOVING EQUIPMENT

Five Locations to Serve You

So. California	San Francisco	
800-225-3659	800-323-6559	
Sacramento	Las Vegas	Chicago
800-439-3934	888-323-6559	888-795-0199

CFPA, from page 4

4. Does not bring consistency to consumer disclosure and protections by creating uniform national standards.

On behalf of the Chamber, former Federal Reserve economist Thomas Durkin studied the CFPA and noted that it would almost certainly result in a reduction in credit, impacting small businesses “because it would affect the very consumer financial products that small businesses use to supplement business credit, which often is not available to small and new enterprises. At the very time when we need these job-creators the most in order to restore growth to our economy, we will be hobbling their efforts by reducing their access to the credit that is essential to fuel that growth,” said Durkin.

Of particular concern to self storage operators should be their reliance on the use of credit card processes which, just as in the case of any retailer, could open them to regulations at the hand of the new agency. Although the CFPA does not have authority “regarding credit or other financial activity issued directly by a merchant, retailer or seller of nonfinancial services to a consumer,” the definitions of “extending credit” and “covered person” are inexact, creating the possibility that a merchant could be found by the CFPA to “indirectly” engage in financial activity or to be a “material service” provider to a covered person. For example, a business that merely accepts credit cards could meet either of those qualifications—either indirectly engaging in a financial activity (the provision of credit by the credit card network) or providing a material service to the credit card network.

The proposed law does provide exemptions for certain industries such as real estate brokers and car dealers from regulatory oversight, but here too the waters become muddy and unclear. The exemptions for real estate brokers and auto dealers do not apply if the person is engaged in a financial activity or otherwise subject to the existing federal consumer laws. In addition, even the limited protection provided by the exemptions fails to encompass activities in which these individuals routinely engage. Thus, the “real estate broker” exemption does not include negotiations relating to financing and the auto dealer exemption does not apply to lease transactions and excludes activities relating to the arranging of financing. That means that they likely will be subject to the statute for *all activities other than all-cash sales*.

The CFPA is still working its way through Congress. The SSA will keep its members apprised of the latest developments. ❖