



American Association of Franchisees & Dealers *The Center for Total Quality Franchising*

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March 15, 2021

The Honorable Charles Schumer
Majority Leader
United States Senate
Washington, DC 20510

The Honorable Mitch McConnell
Republican Leader
United States Senate
Washington, DC 20510

RE: Support of Mr. Rohit Chopra for Director of Consumer Financial Protection Bureau

Dear Majority Leader Schumer and Republican Leader McConnell:

On behalf of the members of the American Association of Franchisees and Dealer (AAFD), we wish to express our support for the confirmation of Mr. Rohit Chopra as Director of the Consumer Financial Protection Bureau.

AAFD is the oldest and largest national not for profit trade association advocating the rights and interests of franchisees and independent dealer networks. The AAFD supports affiliated chapters for more than 50 brands engaged in franchising, representing thousands of franchisee operated business outlets. Since our establishment in 1992, the AAFD has focused on its mission to define, identify and promote collaborative franchise cultures that respect the legitimate interests of both franchisors and franchisees, cultures we describe as embracing our vision of *Total Quality Franchising*[®]. The AAFD came into existence in response to a franchising community that has been evolving towards increasingly one-sided and controlling franchise agreements and cultures whereby franchisee equity and business ownership has been continually eroding such that many modern franchise systems have lost all vestiges of business ownership.

As an FTC Commissioner, Mr. Chopra was empathetic and responsive to franchisee owned small businesses, finally a commissioner with a passion to understand and help franchisees be heard. Mr. Chopra has been engaged with franchisees, working to understand the issues, and being their voice at the Commission. He believes that franchising, as a business model, opens opportunities for many to own their own business and realize the American Dream. He also believes that to have a true free economy, transparency and fairness must exist. We believe the need for franchise oversight may have been best said in 1999, by then Rep.

Howard Coble when he introduced franchise legislation. “As a conservative Republican who supports smaller government and less regulation, many people have asked why I support franchise legislation. First of all, this legislation is not about bigger government and more regulation—it is about protecting freedom. The freedom for small business entrepreneurs to contract fairly, honestly, and without fear of retribution.” Lack of proper oversight comes with a cost. Failed franchises often default on government guaranteed SBA loans, in addition to defaults on personal loans and credit cards.

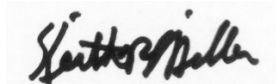
We believe Mr. Chopra’s actions relating to franchising translate well to the CFPB and he will demand that transparency and fairness prevail in the financial marketplace. While the CFPB has not historically embraced franchising as part of its mission, we make note of the concerning reality that protection of franchisees, and oversight of the franchising industry generally, is the rare if not only industry in which the principles of *caveat emptor* still prevail as the standard for government oversight and protection.

For these reasons, AAFD believes Mr. Chopra will be a good steward at the CFPB and we ask that you support his nomination as Director.

Respectfully submitted,



Robert L. Purvin, Jr,
Chair, Board of Trustees
American Association of Franchisees and Dealers



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