

## **Small Business Access to Credit Coalition**

December 10, 2009

Dear Member of Congress:

Access to credit remains a critical issue for small businesses today. The lack of credit availability for small businesses is slowing the recovery efforts and stalling the significant job creation potential of small business entrepreneurs.

To address this problem, the undersigned respectfully request the following:

First, we urge your support for appropriations to extend the Small Business Administration (SBA) loan provisions of the America Recovery and Reinvestment Act (ARRA) through all of Fiscal Year 2010. These stimulus provisions have been so successful that the money allocated thus far has been exhausted. The depletion of funds is proof that the SBA programs were, and continue to be, critically important for our nation's credit-worthy entrepreneurs. SBA estimates that \$479 million in appropriations is needed to fund the extension of the higher guaranty percentages and waiver of borrower fees for the balance of the fiscal year.

The ARRA stimulus provisions have made a significant difference, but more time is required. Lenders were returning to the SBA programs and providing loans of all sizes to the nation's small businesses – and this momentum needs to continue. Unfortunately, with the SBA stimulus funds exhausted, borrowers now have to get in a “queue” and wait for funding until the stimulus provisions are extended. Hundreds of millions of dollars of small business loan requests are already in the queue. We urge Congress to quickly provide the appropriations necessary to extend the ARRA provisions so small businesses can access the funds they need to hire, expand inventory, purchase machinery and equipment or real estate.

Second, we urge your support for an increase in the maximum loan size and the maximum guaranteed portion of SBA loans. Senators Landrieu and Snowe, the Chair and Ranking Member of the Senate Small Business Committee have introduced legislation that would increase the maximum size of SBA 7(a) and 504 loans from \$2 million to \$5 million. Importantly, their legislation would also provide a commensurate increase in the statutory maximum guaranteed portion of SBA 7(a) loans. These levels are recommended by the Administration, have bi-partisan support, and we urge your support as well.

Lastly, we urge Congress to act quickly on these two provisions so that we can continue to realize the SBA lending momentum we have seen over the past few months. Small businesses cannot be the engine of our economy if they have to line up in a queue and wait to see if they can gain access to credit. Congress needs to act swiftly and restart the flow of credit to America's job-creating small businesses or else these entrepreneurs will be left to sit on the sidelines.

Respectfully,

American Apparel & Footwear Association  
American Bankers Association  
American Hotel & Lodging Association  
American International Automobile Dealers Association

Associated Builders & Contractors  
Associated General Contractors  
Automotive Aftermarket Industry Association  
California Association of Competitive Telecommunication Companies  
California Bankers Association  
California Employers Association  
California Public Arts Association  
Council of Smaller Enterprises of Ohio  
Fashion Accessories Shippers Association  
Florida Bankers Association  
Heating, Airconditioning & Refrigeration Distributors International  
Hispanic Bankers Association of Texas  
Independent Community Bankers of America  
International Council of Shopping Centers  
International Franchise Association  
Kansas Bankers Association  
Marine Retailers Association of America  
Montana Bankers Association  
Motor & Equipment Manufacturers Association  
National Association of Development Companies  
National Association of Federal Credit Unions  
National Association of Government Guaranteed Lenders  
National Association of Manufacturers  
National Automobile Dealers Association  
National Council of Chain Restaurants  
National Council of Textile Organizations  
National Restaurant Association  
National Small Business Association  
National Marine Manufacturers Association  
Nevada Bankers Association  
New Jersey Bankers Association  
North Carolina Bankers Association  
Northern California Independent Booksellers Association  
Oakland Metropolitan Chamber of Commerce  
Peninsula Builders Exchange of California  
Plumbing-Heating-Cooling Contractors of California  
Printing Industries of America  
Recreation Vehicle Industry Association  
Sacramento Asian Chamber of Commerce  
San Francisco Chamber of Commerce  
Small Business Association of Michigan  
Small Business Association of New England  
Small Business California  
Small Business Majority of California  
Spa and Pool Industry Education Council of California

SPI: The Plastics Industry Trade Association  
The Hosiery Association  
Travel Goods Association  
Tree Care Industry Association  
U.S. Chamber of Commerce  
United States Hispanic Chamber of Commerce  
Wyoming Bankers Association