



August 17, 2009

The Honorable Olympia Snowe
United States Senate
Washington, DC 20510

Dear Senator Snowe:

Thank you for introducing S. 1615, the Next Step for Main Street Credit Availability Act of 2009. This legislation will improve the Small Business Act and make the Small Business Administration (SBA) loan programs accessible to more start-ups and entrepreneurs and it provides an important tool to help small businesses lead our economy out of recession.

As the largest and oldest franchising trade group, the International Franchise Association's (IFA) mission is to safeguard the business environment for franchising worldwide. IFA represents more than 85 industries, including more than 11,000 franchisee, 1,200 franchisor and 600 supplier members nationwide. According to a 2008 study conducted by PricewaterhouseCoopers, there are more than 900,000 franchised establishments in the U.S. that are responsible for creating 21 million American jobs and generating \$2.3 trillion in economic output.

In January, the IFA unveiled its Five Point Plan for Economic Recovery, which included several key improvements to the SBA loan programs. Many of these recommendations were part of the American Recovery and Reinvestment Act; however, two key recommendations were left out—an increase in the loan guarantee limits and repeal of the SBA's policy on goodwill financing. Your legislation, S. 1615, will increase the maximum loan guarantees for the 7(a) and 504 programs to \$5 million. Given the extreme difficulty many aspiring entrepreneurs are facing in this economy, this increase will allow more individuals to get off the sidelines and access to the start-up capital they seek. In a recent survey of franchise business leaders nearly 40 percent indicated that access to capital would be the most pressing issue they face in 2009.

The IFA looks forward to working with you on this important legislation that will go a long way toward updating and improving the SBA loan programs so that more prospective franchise business owners can obtain the necessary capital to help lead our economy on a road to recovery.

Please do not hesitate to contact me should you have any questions. Thank you for your continued leadership on behalf of our nation's small businesses.

Sincerely,

A handwritten signature in black ink, appearing to read 'David French', is written over a light blue horizontal line.

David French
Vice President, Government Relations