



December 17, 2009

The Honorable Mary Landrieu
Committee on Small Business & Entrepreneurship
United States Senate
Washington, DC 20510

The Honorable Olympia Snowe
Committee on Small Business & Entrepreneurship
United States Senate
Washington, DC 20510

Dear Chairwoman Landrieu and Ranking Member Snowe:

I write today in support of S. 2869, the Small Business Job Creation and Access to Capital Act of 2009. This legislation will extend important provisions first enacted by the American Recovery and Reinvestment Act and improve the Small Business Act. Ultimately, this legislation will modernize the Small Business Administration (SBA) loan programs and make them accessible to more start-ups and entrepreneurs.

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.

This legislation will increase the maximum loan amounts for the 7(a) programs to \$5 million and for the 504 program to \$5.5 million. Furthermore, S. 2869 will extend the 90 percent guarantee rate through the end of FY2010. 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 IFA's recent survey of franchise business leaders, nearly half (49.2 percent) indicated that access to capital would be the most pressing issue they face in 2010.

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. In fact, according to IFA's recently updated *Small Business Lending Matrix and Analysis*, for every incremental \$1 billion in lending, franchised businesses can create 34,100 jobs and \$3.5 billion in economic output.

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 white background.

David French
Vice President, Government Relations