

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
Travel Goods Association
Tree Care Industry Association
U.S. Chamber of Commerce
United States Hispanic Chamber of Commerce
Wyoming Bankers Association