

June 30, 2010

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

Dear Chairwoman Landrieu:

The National Marine Manufacturers Association (NMMA), the nation's leading recreational marine industry trade association, strongly supports S. Amdt. 4407 to H.R. 5297, the Small Business Lending Fund Act of 2010.

NMMA is the nation's leading recreational marine industry association, representing over 1,500 boat builders, engine manufacturers and marine accessory manufacturers. NMMA members manufacture over 80 percent of recreational boats, engines, trailers, accessories and gear used by boaters and anglers in the United States. The overwhelming majority of these companies are U.S.-based small businesses. The recreational marine industry is a major consumer goods and services industry, generating \$30.8 billion in sales and services in 2009 and supporting 353,618 American jobs.

The provisions outlined in S. Amdt. 4407 will restore much-needed credit to small business owners, addressing the primary reason for the extent of the depression in the boating industry. By restoring the disruption in the recreational boating industry's distribution chain caused by the credit crunch, thousands of American jobs will be preserved or created.

The expansion of the Small Business Administration's (SBA) Dealer Floorplan Financing Pilot Program (DFP) is a critical component. Raising loan caps from \$2 million to \$5 million will help a number of boat dealers and manufacturers, who often hold \$5 million of inventory at a time, to build new manufacturing facilities or purchase specialized equipment. In keeping with current industry practice, ensuring a 100% advance rate for boats and boat trailers will eliminate lenders' false perception that marine products are riskier than auto products.

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The proposed extension of the SBA DFP from its current projected end date to 2013 will greatly enhance the marine small business lending environment. An expanded program will not only broaden its reach to more businesses, but more effectively serve those already participating. The longer timeframe will attract a greater number and a greater variety of lenders, moving the focus away from the large, non-bank financial institutions currently controlling this space to the regional and local lenders that serve as long-term partners for small businesses around the country. This fundamental shift will diversify and stabilize the lending environment.

NMMA and the recreational boating manufacturing community strongly endorses the Senate version of HR 5297 and calls upon Senate leadership to quickly schedule final action for ultimate passage of this important legislation. Please do not hesitate to contact Mathew Dunn (mdunn@nmma.org; 202-737-9760) if we can be of any assistance.

Sincerely,



Thomas J. Dammrich,
President

CC: The Honorable Olympia Snowe
Ranking Member, Committee on Small Business and Entrepreneurship

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