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United States Senate

COMMITTEE ON SMALL BUSINESS & ENTREPRENEURSHIP

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July 21, 2015

The Honorable Maria Contreras-Sweet
Administrator, U.S. Small Business Administration
409 3rd Street, SW
Washington, DC 20510

Dear Administrator Contreras-Sweet:

The Small Business Administration's (SBA) 7(a) loan guaranty program for small businesses is rapidly approaching the statutory cap on its lending authority, currently set at \$18.75 billion. According to the most recent estimates from the Office of Management and Budget (OMB), the program will shut down in mid-August, absent any action to address the issue. While we are doing everything we can to move an increase in the 7(a) cap through Congress, the Administration needs to aggressively pursue all options available to preserve the program for as many small business borrowers as possible.

There are plenty of options to avoid exhausting all lending authority before the end of the fiscal year, but thus far you have yet to take concrete action. Two items you should consider are (1) setting aside a portion of the available authority to be used for loans originated by community banks; and (2) cap the size of loans so that SBA can make as many loans as possible and avoid tying up funds in a few large transactions.

As the Chairman of the Senate Small Business Committee, I am pursuing all legislative options available to increase the statutory cap. Specifically, I am working with the Senate Finance Committee and the House Ways and Means Committee, as well as the conferees, to include the cap increase in the trade customs and enforcement bill that is currently being confereed by both chambers. Second, I am working with bill managers to include the cap increase in any form of the surface transportation reauthorization bill that is adopted by the House and Senate. Finally, we are amending H.R. 2499, which has already passed the House, to include the cap increase, and are actively working to move it through both chambers under expedited procedures.

Given the severe consequences of inaction on small businesses and the broader economy, I urge you to take the necessary action to preserve the program for as many small businesses as possible. The time for inaction has passed.

Sincerely,



David Vitter
Chairman