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United States Senate

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May 24, 2010

The Honorable Karen Mills
Administrator
U.S. Small Business Administration
409 3rd Street, SW
Washington, DC 20416

Dear Administrator Mills,

Thank you for testifying at the Senate Committee on Small Business and Entrepreneurship's April 21, 2010 hearing, "The FY 2011 Budget Request for the Small Business Administration." As a follow-up to the hearing, we would appreciate it if you could provide the committee with additional information regarding the Small Business Administration (SBA) Microloan Program.

The American Recovery and Reinvestment Act (ARRA) provided the SBA with \$6 million for the Microloan lending program, which will enable the SBA to support an additional \$50 million in loans to intermediaries. In addition to the Microloan lending funds, ARRA provides \$24 million for Microloan marketing, management, and technical assistance grants.

As these ARRA funds are only available through September 30, 2010, we have several questions regarding the Microloan lending program and technical assistance grants.

- When did the SBA first obligate these funds?
- How much money to date has been obligated?
- When will the remaining funds be obligated?
- How many requests did the SBA receive for funding?

President Obama's FY 2011 budget reduces funding for the SBA Microloan program from its FY 2010 appropriated level of \$25 million to \$13.8 million, a cut of \$11.2 million. The budget also indicates that the SBA plans to bring 30 new lending intermediaries into the program this year. In light of this reduction, we are interested in learning how the SBA plans to sustain its support of these additional intermediaries following the expiration of ARRA funding in September 30, 2010.

We respectfully request that you submit to us in writing, within two weeks of the receipt of this letter, your comments on these matters.

Thank you for working with us to ensure the Microloan program's success. If you have any questions please feel free to contact Ross LeBlanc with Chair Landrieu's staff at (202) 224-5175 and Chris Lucas with Ranking Member Snowe's staff at (202) 224-7884.

Sincerely,



MARY L. LANDRIEU
Chair



OLYMPIA J. SNOWE
Ranking Member