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February 2, 2010

President Barack Obama
The White House
1600 Pennsylvania Avenue, NW
Washington, DC 20500

Dear President Obama:

We were encouraged to hear of your commitment to helping small businesses in your State of the Union Address. As Chair and Ranking Member of the U.S. Senate Committee on Small Business and Entrepreneurship, we fully recognized how small businesses are the engine of economic growth in our country. At the same time, with small businesses accounting for 85 percent of all job losses in the last year, they have also been bearing the brunt of these difficult economic times. As we move forward on the consideration of a Jobs Bill and your Administration looks for initiatives that can help jump start our economy, we respectfully ask for you to consider promoting two pieces of legislation that have bipartisan support and were successfully marked up in our Committee. These two bills are S. 2869, the "Small Business Job Creation and Access to Capital Act" and S. 2862, the "Small Business Export Enhancement and International Trade Act." A brief description of each bill follows:

The "*Small Business Job Creation and Access to Capital Act*" (S. 2869) would increase Small Business Administration (SBA) loan sizes, extend Recovery Act provisions that support SBA lending and create a program for refinancing existing commercial real estate debt, into fixed-rate, long-term SBA backed loans.

Specifically, this act includes provisions that would:

- Increase the loan limit on 7(a) loans from \$2 million to \$5 million;
- Increase the loan limit on 504 loans from \$1.5 million to \$5.5 million;
- Increase the loan limit on microloans from \$35,000 to \$50,000;
- Allow the 504 loan program to refinance short-term commercial real estate debt into, long-term, fixed rate loans;
- Extend the authorization to provide 90 percent guarantees on 7(a) loans and fee elimination for borrowers on 7(a) and 504 loans through December 31, 2010; and
- Direct the SBA to create a website where small businesses can identify lenders in their communities.

The SBA estimates that the increase in the maximum loan sizes would grow SBA lending by \$5 billion in the first year after enactment and an extension of the small business Recovery Act provisions would support an additional \$18.5 billion in SBA backed loans. *The Congressional Budget Office estimates that the cost of increasing the maximum loan size and implementing the refinancing proposal would be budget neutral.* Based upon historical job production

numbers, it is conservatively estimated that this legislation could produce more than 225,000 jobs. In fact, small business owners have reported that they have saved or created more than 500,000 jobs with the SBA loans they received, which were supported by Recovery Act funding.

We appreciate that you have addressed the need for larger SBA loans in October and again in the budget. We would like you to know that since your announcement this proposal has been endorsed by the "Access to Capital Coalition" which currently numbers 55 members including the U.S. Chamber of Commerce, the American Bankers Association, the Independent Community Bankers Association, the National Association of Federal Credit Unions, the Associated Builders and Contractors, the International Franchise Association, and the National Small Business Association.

The "*Small Business Export Enhancement and International Trade Act*" (S. 2862) would improve and expand support for small businesses seeking to engage in international trade and exporting.

Specifically this act includes provisions that would:

- Establish an SBA Associate Administrator for International Trade to carry out the Agency's international trade programs and formulate its trade and export policy;
- Bolster the number of SBA export finance specialists assigned to Export Assistance Centers;
- Increase, the loan limit on International Trade Loans or Export Working Capital Program loans from \$2 to \$5 million;
- Establish in statute an Export Express program and expand the maximum loan size from \$250,000 to \$500,000; and
- Create a State Trade and Export Promotion (STEP) Grant Program to increase the number of small businesses that export and increase the value of the exports by small businesses.

The Congressional Budget Office estimates that S. 2862 would cost \$69 million over the next five years and has been endorsed by the following organizations: the U.S. Chamber of Commerce, the Small Business Exporters Association, the Bankers Association for Finance and Trade and the Council of State Governments, and the Association of Small Business Development Centers. With less than one percent of small businesses exporting, we believe this additional support can help expand the trading opportunities for our country.

In conclusion, these two bills could provide a cost-effective way of ensuring that our nation's small businesses have the access to capital and exporting opportunities they require to grow and create jobs. I ask for your support of S. 2869, the "Small Business Job Creation and Access to Capital Act" and S. 2862, the "Small Business Export Enhancement and International Trade Act."


Mary L. Landrieu
Chair

Sincerely,


Olympia J. Snowe
Ranking Member