

Small Business Access to Credit Coalition

February 17, 2010

Dear Senator:

Access to credit is a critical issue facing small businesses today. The undersigned organizations, representing millions of small business owners in every industry sector, were very disappointed to learn that only one provision related to expanding small business access to credit was included in the draft legislation offered by Senators Baucus and Grassley, the "*Hiring Incentives to Restore Employment Act*." Furthermore, none of the provisions aimed at improving the Small Business Administration (SBA) lending programs are currently being considered in Majority Leader Reid's latest proposal. We are concerned that if the Senate fails to listen to the needs of small businesses and address the credit crisis, a tremendous opportunity to help create new, sustainable jobs in 2010 and beyond will be lost.

We urge your support for appropriations to extend the SBA loan provisions of the American Recovery and Reinvestment Act (ARRA) through the end of December 2010. The depletion of funds last fall is proof that the SBA programs were, and continue to be, critically important for our nation's credit-worthy entrepreneurs. An additional \$354 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.

Additionally, we urge your support for an increase in the maximum loan size and the maximum guaranteed portion of SBA loans. Senators Landrieu and Snowe have introduced legislation that would increase the maximum size of SBA 7(a) and 504 loans from \$2 million to \$5 million. This legislation would also provide a commensurate increase in the statutory maximum guaranteed portion of SBA 7(a) loans. Moreover, the CBO has determined that their legislation, S. 2869, will have no impact on spending or revenue. These levels are recommended by the Administration, have bi-partisan support and we urge your support as well.

By including these provisions in upcoming legislation aimed at spurring new job creation, there is the potential to leverage an additional \$16 billion in SBA lending in 2010. According to Federal Highway Administration data, federal *spending* on highway programs can generate about 34,100 jobs for every \$1 billion spent. Small businesses can generate the same rate of job creation, except that small businesses have the ability to create new, sustainable jobs in every local community. Therefore, by acting on these recommendations, the Senate will help increase small business *lending* that will result in over 545,000 sustainable new jobs in the next year.

We urge you to act quickly so that we can continue to realize the SBA lending momentum we saw in 2009. Small businesses cannot be the engine of our economy if they continue to face unrelentingly tight credit markets. The Senate must include these important provisions in the job creation bills currently pending in order to restart the flow of credit to America's small businesses or else these entrepreneurs will be left to sit on the sidelines.

Respectfully,

American Apparel & Footwear Association
American Bankers Association
American Foundry Society- California Chapter
American Hotel & Lodging Association
American International Automobile Dealers Association

Associated Builders & Contractors
California Association for Micro Enterprise Opportunity
California Association of Competitive Telecommunications Companies
California Cast Metals Association
California Chapter of the American Fence Contractors Association
California Employers Association
California Fence Contractors Association
California Hispanic Chamber of Commerce
California Metals Coalition
California Public Arts Association, Inc.
Council of Smaller Enterprises (Ohio)
Engineering Contractors Association
Entrepreneurs Organization Los Angeles
Fashion Accessories Shippers Association
Flasher/Barricade Association
Golden Gate Restaurant Association
Greater Providence (RI) Chamber of Commerce
Heating, Airconditioning & Refrigeration Distributors International
Independent Community Bankers of America
Independent Electrical Contractors
Independent Waste Oil Collectors and Transporters
International Council of Shopping Centers
International Franchise Association
Main Street Alliance
Marin Builders' Association
Marine Retailers Association of America
Monterey County Business Council
Napa Chamber of Commerce
National Association for the Self-Employed
National Association of Development Companies
National Association of Government Guaranteed Lenders
National Association of Manufacturers
National Association of Women Business Owners – Inland Empire
National Association of Women Business Owners - Los Angeles
National Automobile Dealers Association
National Cooperative Business Association
National Council of Chain Restaurants
National Council of Textile Organizations
National Federation of Filipino American Associations
National Gay & Lesbian Chamber of Commerce
National Marine Manufacturers Association
National Ready Mixed Concrete Association
National Restaurant Association
National Small Business Association
North American Die Casting Association- California Chapter
North Carolina Bankers Association
Northern Rhode Island Chamber of Commerce
NPES - The Association for Suppliers of Printing, Publishing and Converting Technologies
Oakland Metropolitan Chamber of Commerce

Oregon Small Business for Responsible Leadership
Peninsula Builders Exchange of California
Plumbing-Heating-Cooling Contractors of California
Recreation Vehicle Industry Association
Recreational Vehicle Dealers Association
Rhode Island Small Business Summit Committee
Sacramento Asian Chamber of Commerce
San Francisco Builders Exchange
San Francisco Chamber of Commerce
San Francisco Small Business Advocates
San Francisco Small Business Network
Small Business Association of Michigan (SBAM)
Small Business Association of New England (SBANE)
Small Business California
Small Business Majority
Small Manufacturers Association of California
South Carolina Small Business Chamber
Spa and Pool Industry Education Council of California
SPI: The Plastics Industry Trade Association
The Financial Services Roundtable
The Hosiery Association
Travel Goods Association
Tree Care Industry Association
Urban Solutions – San Francisco
U.S. Chamber of Commerce
U.S. Hispanic Chamber of Commerce