

United States Senate

WASHINGTON, DC 20510

May 9, 2024

The Honorable Chris Van Hollen
Chairman
Subcommittee on Financial Services and
General Government
Committee on Appropriations
Washington, D.C. 20510

The Honorable Bill Hagerty
Ranking Member
Subcommittee on Financial Services and
General Government
Committee on Appropriations
Washington, D.C. 20510

Dear Chairman Van Hollen and Ranking Member Hagerty:

We are writing to respectfully request that the Financial Services and General Government Appropriations bill for Fiscal Year (FY) 2025 provide \$66 million for the Small Business Administration's (SBA) Microloan Program. Of that amount, we request that \$60 million be provided for Microloan Technical Assistance grants and \$6 million be provided for the Microloan subsidy to support \$110 million in microloans, as authorized by Congress.

The SBA Microloan Program was authorized in 1991 (P.L. 102-140) to provide technical assistance and small-scale loans of up to \$50,000 to small businesses that are unable to qualify for conventional loans. Working through a network of community-based nonprofit intermediary lenders, the SBA Microloan Program supports new, early stage and existing businesses, especially in underserved markets. In FY 2023, SBA's Microloan Intermediaries made 5,586 microloans totaling \$87.3 million that helped support 19,322 jobs.

The program has been extremely successful in helping women, rural, low-income and veteran entrepreneurs turn their dreams into successful ventures that create jobs and grow the economy. Recent data shows that 86 percent of microloans go to underserved small businesses, reaching more women, minorities and businesses in rural areas on a proportional basis than any other SBA loan program.

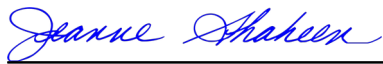
Intermediaries also help microloan borrowers succeed by providing training and technical assistance, a major key to the program's ongoing success. The Microloan Technical Assistance program provides participating intermediary lenders with matching grants to use toward intensive marketing, management and loan advising services for micro borrowers. This makes lenders a "one-stop shop" where small businesses can secure flexible and accessible financing, as well as individualized technical assistance as needed during the life of a loan.

Increasing Microloan Technical Assistance grants from \$41 million to \$60 million in FY 2025 is necessary in order to give intermediaries access to the full matching grant currently authorized by law, which is equal to 25 percent of total lending plus bonus grants for those intermediaries that make the smallest dollar loans or best reach low-income and rural communities.


Given the high performance of the Microloan and Microloan Technical Assistance Programs in previous years and the importance of small dollar loans in reaching underserved markets, we strongly support these programs and urge you to provide at least \$66 million in your FY 2025 Appropriations bill to finance, support and grow small and very small businesses in communities across the country.

Thank you for your consideration of our request.

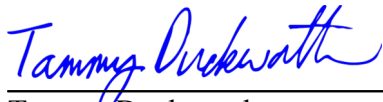
Sincerely,



Jeanne Shaheen
Chair, Committee on Small
Business and
Entrepreneurship



Benjamin L. Cardin
United States Senator



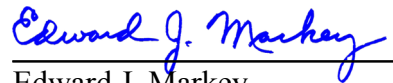
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United States Senator



Maria Cantwell
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Mazie K. Hirono
United States Senator




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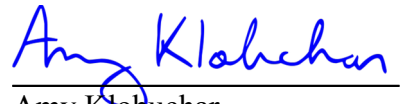
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United States Senator



Christopher S. Murphy
United States Senator



Richard Blumenthal
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Amy Klobuchar
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Kirsten Gillibrand
United States Senator



Mark R. Warner
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United States Senator



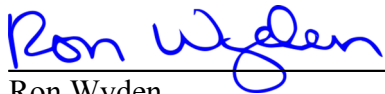
Elizabeth Warren
United States Senator



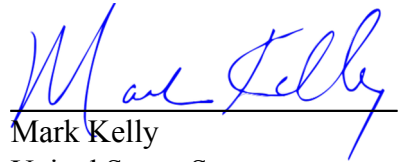
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United States Senator



Debbie Stabenow
United States Senator



Ron Wyden
United States Senator



Mark Kelly
United States Senator



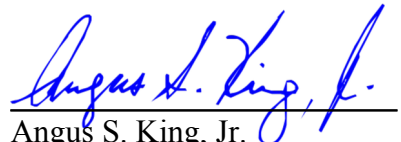
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Gary C. Peters
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