

Small Business Access to Capital Coalition

March 24, 2004

Honorable Olympia J. Snowe
Chairwoman, Committee on Small Business
and Entrepreneurship
United States Senate
Washington, DC 20510

Dear Chairwoman Snowe:

On behalf of the millions of small businesses represented by the undersigned organizations, we would like to thank you for introducing S. 2193, the ***Small Business Loan Revitalization Act of 2004***. The current fiscal year's funding shortfall for the Small Business Administration's (SBA) 7(a) guaranteed lending program has already precipitated major restrictions on lending. With that in mind, this coalition supports your legislation that would provide for a short-term increase in fees on lenders as the framework that will expeditiously provide a solution to fully fund the 7(a) program and provide much needed access to capital for small business owners currently being denied loans. We recognize that this is a short term solution to funding the 7(a) guaranteed lending program and look forward to working with you and your colleagues in developing a permanent solution to this important program.

The undersigned associations believe government policies that foster and encourage robust entrepreneurial activity and small business ownership provide the basis for economic prosperity important to the long-term vitality and success of our nation. Many of our small business members indicate that one major obstacle to entry or expansion of a small business is the availability and access to capital for small enterprises.

One important source of funding, the SBA 7(a) guaranteed loan program, plays an important and vital role in providing an alternative means of obtaining capital for many small business owners where funding has not been available through conventional lending methods. However, due to shortfalls in the fiscal year 2004 budget, this program is operating under severe restrictions that will deny entrepreneurs access to sorely needed funds required to start, grow and expand their businesses, thus limiting their contributions to the job growth and economic expansion.

On behalf of these small employers, we feel that your legislation outlines the best possible framework by which the 7(a) lending program will be able to be expeditiously brought back to an unfettered state and minimize any long-term harm to the program. We thank you again for introducing S. 2193, the ***Small Business Loan Revitalization Act of 2004*** and we look forward to working with you on its passage.

Air Conditioning Contractors of America
American Bankers Association
American Veterinary Medical Association
America's Community Bankers
American Hotel & Lodging Association
American Nursery & Landscape Association
Appraisal Institute
Association of Small Business Development Centers
Asian American Hotel Owners Association
Consumer Bankers Association
Financial Services Roundtable
Independent Community Bankers Association
International Franchise Association
National Association of Government Guaranteed Lenders
National Association for the Self-Employed
National Association of Women Business Owners
National Restaurant Association
National Small Business Association
Small Business Legislative Council
Tire Industry Association
U.S. Chamber of Commerce
United Motorcoach Association
Women Impacting Public Policy