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October 2, 2001

The Honorable John F. Kerry
Chairman
Committee on Small Business
and Entrepreneurship
428A Russell Senate Office Building
Washington, DC, 20510

Dear Chairman Kerry:

The National Community Reinvestment Coalition (NCRC) strongly supports the *American Small Business Emergency Relief and Recovery Act of 2001* as essential to the efforts of lending institutions, community organizations and local public agencies to help small businesses directly and indirectly impacted by the September 11th terrorist attacks. NCRC and our 800+ member organizations community groups and local public agencies around the country also commend your leadership on this legislative measure and pledge to promote this bill via our membership and through our policy initiatives.

In today's new enterprise marketplace, entrepreneurs have surged into small businesses ownership in record numbers. Their impact on U.S. growth and productivity is evident:

- America's 25.5 million small businesses represent more than 99 percent of our nation's employers. They employ 51 percent of the private sector workforce and create over 80 percent of all the net new jobs in the United States.
- In 2000, there were 612,400 new employer firms, an increase of 4.3 percent from 1999. Small business bankruptcies decreased by 14.8 percent between 1999 and 2000, to the lowest level in over 20 years. And the business failure index also decreased by 1.7 percent since 1999.
- Small businesses' income increased 7.2 percent, rising from \$95.2 billion in 1998 to \$638.2 billion in 1999. They represent 96 percent of all exporters of goods and generate more than half of the nation's gross domestic product.

Today, however, hardship and economic adversity have stricken the small business marketplace as a result of the September 11th attacks. NCRC commends the Small Business Administration (SBA) for acting quickly to help entrepreneurs deal with the aftermath of the attacks. Unfortunately, SBA's authority is limited under the Disaster Loan Program guidelines. SBA may only provide assistance in declared disaster areas' contiguous communities.

What will happen to the gift basket service whose sole distribution source was a florist in one of the World Trade Center towers? What will happen to the small catering business that has had to lay off staff as a result of banquet cancellations and no new bookings? And what will happen to the independent souvenir store in Ronald Reagan International Airport and other airports, given current lack of traffic in the terminals?

Your *American Small Business Emergency Relief and Recovery Act of 2001* is key to the recovery efforts. If enacted, it will help small business entrepreneurs drive the American economy. NCRC has long championed the role of small businesses in growing and expanding our economy. Since our inception in 1990, we have led the charge to bring equal access to credit and capital to all emerging market sectors. One highly successful capacity-building initiative is the SBA/NCRC partnership on the *CommunityExpress* program.

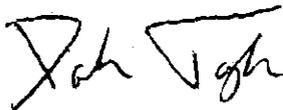
CommunityExpress is part of SBA's initiative to spur economic development and job creation in underserved communities. The program combines SBA loan guarantees, targeted lending by select banks, and technical assistance from local NCRC members. The key to *CommunityExpress* is that it provides small business entrepreneurs with technical and managerial assistance before and after the loan is made.

The SBA/NCRC cooperative effort has led to the rapid growth of the loan program from a level of just over \$2 million in Fall 1999 to over \$42 million in loans as of September 2001. Of the 439 loans to date, women and minority entrepreneurs have been the greatest beneficiaries, as nearly 56 percent of the loans have gone to women and 52 percent of loans have gone to minorities. The average size of a *CommunityExpress* loan is \$96,527, with 61 loans between \$200,000 and \$250,000.

Your leadership has paved the way to support small businesses in the wake of the September 11th tragedy. NCRC pledges to continue support your efforts and to help entrepreneurs in low- and moderate-income areas through *CommunityExpress* and other initiatives.

We thank you for your continuing efforts. We look forward to working with you and your outstanding staff during the course of the 107th Congress – and beyond.

Yours sincerely,



John Taylor
President and CEO