



October 1, 2009

The Honorable Mary Landrieu
U.S. Senate Committee on Small Business and Entrepreneurship
Washington, D.C. 20510

The Honorable Olympia Snowe
U.S. Senate Committee on Small Business and Entrepreneurship
Washington, D.C. 20510

The Honorable Nydia Velazquez
U.S. House of Representatives Committee on Small Business
Washington, D.C. 20515

The Honorable Sam Graves
U.S. House of Representatives Committee on Small Business
Washington, D.C. 20515

Dear Chairs Landrieu and Velazquez and Ranking Members Snowe and Graves:

The National Small Business Association (NSBA) urges Congress, as it seeks to identify ways in which to improve the loan programs at the U.S. Small Business Administration (SBA), to increase the maximum size of allowable loans to \$5 million. Reaching 150,000 small-business owners across the nation, NSBA is the country's oldest small-business advocacy organization.

While U.S. small businesses suffer through the worst credit crunch in memory, most small-business owners would be delighted with a \$50,000 or \$100,000 loan; but \$2 million loans are insufficient for the needs of a sizable number of larger small firms. Unfortunately, it is difficult to obtain small-business loans in the \$2 to \$5 million range. The small-business members of NSBA believe that according such loans an SBA guarantee would greatly expand their availability. By increasing the maximum loan size allowed through the SBA's loan programs and thereby improving small businesses' access to capital, Congress will enable entrepreneurs to obtain the capital they need to sustain or grow their larger small firms.

NSBA must stress, however, that increasing the maximum allowable SBA loan size is not the most pressing of concerns for U.S. small businesses. Congress' single most important objective regarding this program should be an extension of the small-business provisions of the *American Recovery and Reinvestment Act*, specifically the temporary elimination of the upfront borrower fees and the increased guarantee. While SBA lending still is down considerably from previous years, these provisions have been instrumental in the recent uptick in small-business lending. It is vital that the funding for these provisions be increased and extended.

In the meantime, NSBA urges you to increase the maximum size of allowable SBA loans to \$5 million. NSBA also thanks you for your continued commitment to America's small-business owners.

Sincerely,

A handwritten signature in black ink, appearing to read "Todd O. McCracken", written over a white background.

Todd O. McCracken
President