



October 27, 2009

The Honorable Paul Kanjorski
United States House of Representatives
2188 Rayburn House Office Building
Washington, D.C. 20515

The Honorable Ed Royce
United States House of Representatives
2185 Rayburn House Office Building
Washington, D.C. 20515

Dear Congressmen Kanjorski and Royce:

The National Small Business Association is pleased to *H.R. 3380*, the *Promoting Lending to America's Small Businesses Act*. Reaching 150,000 small businesses across the nation, NSBA is the country's oldest small-business advocacy organization.

With America's entrepreneurs—existent and aspiring—suffering through a crippling credit crunch, NSBA believes that Congress should do everything within its power to encourage and expand small-business lending. If the nation's credit unions stand ready, willing, and able to increase their lending to small firms beyond their current statutory cap of 12.25 percent of assets, then Congress immediately should increase credit unions' small-business lending cap.

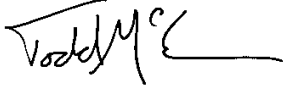
The U.S. Small Business Administration (SBA) approved 36 percent fewer 7(a) loans in Fiscal Year (FY) 2009 than in the previous year, and the dollar volume of these loans fell by more than \$3 billion—from \$12.67 billion in FY 2008 to \$9.286 billion in FY 2009. This hardly is surprising, given that nine of the top ten 2008 SBA lenders cut their loan volume by 30 percent or more this year—with Valley Bank, the tenth largest lender in 2008, shut down by regulators over the summer and the future of CIT Group, the largest small-business lender for nine consecutive years, unclear.

In its July 2009 quarterly Senior Loan Officer Opinion Survey, the U.S. Federal Reserve reported that, over the previous three months, domestic banks continued to tighten standards and terms on all major types of loans to businesses and households. Banks also reported that they expected their lending standards across all loan categories to remain tighter than their average levels over the past decade until at least the second half of 2010.

Against this bleak backdrop, NSBA—confident that the nation's credit unions stand ready to extend critical capital to America's small-business owners—urges Congress to adopt *H.R. 3380*, the *Promoting Lending to America's Small Businesses Act*

NSBA is pleased to support *H.R. 3380, the Promoting Lending to America's Small Businesses Act* and thanks you for your leadership on the issue.

Sincerely,

A handwritten signature in black ink, appearing to read "Todd McCracken". The signature is stylized with a large "T" and "M".

Todd O. McCracken
President

Cc: The Honorable Nydia Velazquez

The Honorable Sam Graves

The Honorable Barney Frank

The Honorable Spencer Bachus