



September 25, 2014

The Honorable Sam Graves  
Chairman  
Committee on Small Business  
U.S. House of Representatives  
2361 Rayburn House Office Building  
Washington, D.C. 20515

Dear Chairman Graves:

On behalf of the National Small Business Association (NSBA), I am pleased to support the *Small Business Loan Simplification Act of 2014 (H.R. 5599)*, which would streamline and simplify the loan application process at the U.S. Small Business Administration (SBA) by requiring the agency to permit the use of e-signature and electronic records. The importance of promoting and facilitating access to capital is certainly recognized by NSBA members, and consistently ranks among our top priority issues.

Often an extensive and complex lending process impedes a number of small-business owners from accessing the funding they need to innovate, create jobs, and strengthen the economy. NSBA welcomes technological enhancements that will help speed up the SBA loan application process, and make it easier and less time-intensive for small firms. As the nation's small business lending market is slow to recover, small firms continue to face challenges with securing the financing they need in order to continue to grow. According to the Federal Deposit Insurance Corporation (FDIC), small business lending is still below pre-recession levels, as of March 2014 small business loans are at \$585 billion, as compared to \$711.5 billion in June 2008, showing a decline of 18 percent. Therefore, such reforms to the SBA loan process are vital to ensure small businesses thrive.

Modernizing the SBA loan application process, H.R. 5599 would permit both borrowers and lenders in SBA financing programs to use electronic signatures and records in the certification and transmission of documents. This legislation, which comes at the same time as SBA efforts to streamline and simply their loan process, also directs the SBA to accept electronic signatures and records associated with the management of its financing programs. By implementing this widely used and established e-signature and records technology, H.R. 5599 would keep the agency in line with society's technological pace by offering proven services already being used by private lenders and other federal agencies.

On behalf of the NSBA and our 65,000 members, I would like to thank you for your legislation to simplify and streamline the SBA lending process. I look forward to working with you to bring this legislation to the House floor for consideration.

Sincerely,

A handwritten signature in black ink, appearing to read "Todd McCracken". The signature is stylized and includes a long horizontal line extending to the right.

Todd McCracken  
President & CEO