



April 22, 2015

Dear Members of the Senate Committee on Small Business & Entrepreneurship,

As a representative of the 28 million small businesses in America, Small Business Majority urges you to support legislation being considered today that would help increase access to capital for our nation's small businesses. Access to capital has been a persistent problem for entrepreneurs, particularly since the recession. And, while it has eased in some parts of the small business community, there are significant gaps that remain in critical areas, including in minority and rural communities and for women and veterans. Small Business Majority's opinion polling shows an overwhelming 90% of small business owners nationwide agree the availability of credit for small businesses is a problem, and 61% agree it's harder to get a loan now than it was in 2008.

To fully realize the economic potential of America's primary job creators, we must ensure greater access and more options for obtaining capital, particularly for minority, women and veteran entrepreneurs and small business owners in disadvantaged areas. There are a number of bills being considered today that would help address this problem by supporting SBA loan programs and allowing small businesses to refinance qualified commercial real estate debt.

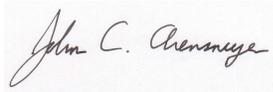
- **S. 966, Commercial Real Estate and Economic Development Act of 2015** (CREED Act) (Senators Shaheen and Isakson): The CREED Act seeks to re-instate the 504 Refi program, which allows small businesses to refinance existing qualified commercial real estate debt through the 504 loan program. This financing has long terms and low, fixed rates, which helps lower monthly mortgage payments or get companies out of balloon loans and demand notes that threaten their existence and the jobs of their employees. The program was created during the financial crisis and expired in 2012, but businesses still need these loans. The program is zero-subsidy and funded through borrower and lender fees.
- **S. 967, Communication Lender Activity Reports from the Small Business Administration Act** (CLEAR Act) (Senator Shaheen): The CLEAR Act will make SBA lending activity more transparent and publicly accessible so that prospective borrowers may target SBA lenders based on zip code, industry, profile (women, vets or minorities), size of loan or stage of business. Specifically, the bill directs the SBA Administrator to make publicly available a user-friendly database of information relating to lenders making SBA loans. Through conversations with SBA, small businesses and SBA lenders, the Small Business Committee conceived the idea of a "Lender Activity Index," an online, searchable database established by SBA on its website to provide consumers with more transparent, user-friendly data about their local SBA lenders. Potential borrowers will be able to see which banks in their area provide SBA loans, and apply using information from the website.
- **S. 957, The Veterans Entrepreneurship Act** (Senators Shaheen, Cantwell, King and Ayotte): This legislation seeks to make permanent the borrower fee waivers for SBA 7(a) Express loans to veterans for under \$350,000 in order to make loans less expensive for veterans. The bill also increases oversight and review of existing veterans SBA programs to identify changes to better serve veterans before and after deployment, women veterans and reservists.
- **S. 1000, SCORE for Small Business Act of 2015** (Senators Risch and Coons): This legislation increases the SCORE program's authorization level from \$7 million to \$10.5

million in fiscal years 2016 through 2018. Additionally, the bill directs SCORE to provide no-cost or low-cost assistance, coaching, mentoring and other services to entrepreneurs and small business owners on aspects of creating or strengthening a business. It requires SCORE to develop outreach mechanisms and expanded service delivery capacity, particularly in rural, economically disadvantaged, and other traditionally underserved areas, to ensure diversity amongst both the volunteers providing services and the small businesses being served.

- **S. 552, SBIC Family of Funds** (Senators Risch, Cardin, Vitter, Shaheen and Ayotte): This bill increases the amount of leverage by SBIC licensees under common control from \$225 million to \$350 million, which is referred to as the family of funds limit.
- **S. 1001, Small Business Lending Reauthorization Act of 2015** (Senators Risch, Peters, Shaheen and Gardner): This bill sets the authorized program level for the 7(a) loan program at \$20.5 billion in fiscal year 2015 and at \$23.5 billion in fiscal year 2016.

These bills can go a way long towards helping more small businesses, particularly minority and veteran-owned businesses and small businesses in disadvantaged areas, gain critical access to capital. We urge you to pass these bills in order to ensure more small employers gain the capital they need to grow and thrive.

Sincerely,



John Arensmeyer, Founder & CEO
Small Business Majority