

November 30, 2021

The Honorable Blaine Luetkemeyer  
Ranking Member  
Small Business Committees  
U.S. House of Representatives  
2069 Rayburn House Office Building  
Washington, DC 20515

Dear Ranking Member Luetkemeyer:

On behalf of the American Bankers Association (ABA), I am writing in support of H.R. 6037, legislation to prohibit the Small Business Administration (SBA) from directly making loans under the 7(a) loan program.

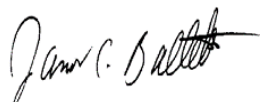
As you know, ABA member banks have a strong partnership with the SBA and work closely with the agency to provide financing to small businesses across the country through existing SBA programs. We believe that public-private partnership, especially bank participation in the successful 7(a) program and the more recent Paycheck Protection Program, has provided much-needed financial support to the nation's small businesses.

Given that collaboration, we question why the Build Back Better Act that recently passed the House includes nearly \$2 billion for SBA to set up its own direct lending program for businesses seeking a loan of \$150,000 or below. We share your concerns that this new government-operated program will undermine existing SBA loan programs while potentially limiting access to capital for those smallest of the small businesses due to increased complexity.

With continuing economic uncertainty, we agree that these smaller businesses need increased access to capital and the best way to do that is to provide the SBA with the necessary funds and resources to bolster the existing framework of the successful 7(a) program. By expanding the pool of SBA lenders, providing greater education to small business owners on the existing options available to them, and committing more resources to reduce application waits, Congress can take proactive steps to ensure more access to capital without creating an entirely new government lending program.

Thank you for your continued efforts to provide access to capital to our nation's small businesses and to protect existing banking relationships. We look forward to working with you towards this shared goal.

Sincerely,



James C. Ballentine

cc: Chairwoman Nydia Velazquez