

May 25, 2016

The Honorable David Vitter  
Chairman  
Committee on Small Business  
and Entrepreneurship  
United States Senate  
Washington, D.C. 20510

The Honorable Jeanne Shaheen  
Ranking Member  
Committee on Small Business  
and Entrepreneurship  
United States Senate  
Washington, D.C. 20510

Dear Chairman Vitter and Ranking Member Shaheen:

On behalf of the members of the American Bankers Association (ABA), I am writing to express our support for the Small Business Lending Oversight Act of 2016.

The ABA is the voice of the nation's \$16 trillion banking industry, which is composed of small, midsize, regional and large banks that together employ more than 2 million people, safeguard \$12 trillion in deposits and extend nearly \$8 trillion in loans.

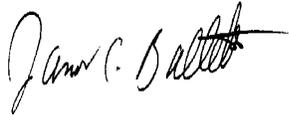
This important piece of legislation is needed and overdue, especially as demand for small business loans continues to grow during a time that our economy shows signs of improvement. The Small Business Administration's 7(a) loan program is a key ingredient in the success of America's small businesses and an integral part of a robust American economy. In one of the most successful public-private partnerships, banks and the Small Business Administration (SBA) have seen significant growth in the use of the 7(a) program over the last few years. With that growth has come both opportunities and challenges.

The opportunities have been tremendous in that nearly 64,000 small businesses have received loans and over a half a million jobs have been secured in the last fiscal year. This type of capital opportunity and business growth does not occur unless the partnership between banks, borrowers and SBA is strong. Challenges, however, can arise if strong oversight is not incorporated into the program to ensure that lenders, borrowers and SBA have strong systems in place to ensure that all parties encourage proper behavior and appropriate procedures are in place if violations occur.

The Small Business Lending Oversight Act sets forth to implement the appropriate level of oversight and ensure that existing resources are properly used to oversee program participants.

We commend you and the Committee for the time and consideration you have given to all parties in developing this legislation and we look forward to working with the Committee as it considers proposals that provide for greater oversight and success of the 7(a) loan program.

Sincerely,

A handwritten signature in black ink, appearing to read "James C. Ballentine". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

James C. Ballentine

cc: Members of the Senate Committee on Small Business and Entrepreneurship