

THE AGENDA FOR AMERICA'S ENTREPRENEURS

Access to Capital and Resources

Access to capital and opportunities empower small businesses to develop and grow into the pillars of our local communities and national economy. However, many small businesses and entrepreneurs face barriers, particularly rural, women, and minority-owned businesses, that limit their ability to grow. To address the capital and resource gaps for entrepreneurs, Small Business Majority advocates for policy proposals that foster responsible small business lending practices, increased access to equitable financing tools and programming that supports their economic growth.

- Pass legislation that requires small business loan products to disclose loan terms such as annual percentage rate (APR) and reflect the lending values outlined in the [Small Business Borrowers' Bill of Rights](#). Examples include bills like the Small Business Financing Disclosure Act, which would expand Truth in Lending Act (TILA) protections to small business loan products. While current TILA regulations provide protections for consumer lending, small business loans should come with the same protections to ensure small business borrowers are not falling victim to predatory lending practices.
- Reinstate the U.S. Small Business Administration's (SBA) ability to guarantee loans through the 7(a)/504 loan programs to refinance bad loans taken under a merchant cash advance (MCA) product. SBA restricted refinancing of these products in 2025, which will harm small businesses that fall victim to predatory pricing practices that MCAs typically employ.
- Loosen capital requirements for small business owners who either have a foreign ownership stake in their companies or hire a “key employee” of immigrant status. SBA’s move to prohibit loans to small businesses with these employee/ownership structures will result in less responsible capital going to entrepreneurs. We urge SBA to restore its requirements of 51% beneficial ownership and to review loan eligibility on a case-by-case basis as opposed to prohibiting entrepreneurs access to capital based on their employees’ immigration status.
- Protect critical disclosure standards of small business loan data by continuing to implement Sec. 1071 of the Dodd-Frank Act, which requires the disclosure of key demographic information for certain small business loan products. Absent a commitment from the Consumer Financial Protection Bureau, Congress should oppose legislation that repeals the Bureau’s authority to issue and ensure compliance with 1071 reporting requirements.
- Maintain program funding for key small business programs at the U.S. Department of Treasury including the Community Development Financial Institution (CDFI) Fund and the State Small Business Credit Initiative (SSBCI) program, including funding for administrative and outreach. These programs provide critical access to capital and technical assistance for small firms that struggle to obtain capital from traditional banking institutions.
- Expand and bolster the capacity of government-guaranteed lending programs at SBA by ensuring the agency and its resource partners have the staffing and funding needed to meet the needs of entrepreneurs today. This effort also includes working to streamline the application and underwriting process by removing unnecessary paperwork burdens, long wait times, and arduous requirements needed to obtain a small business loan (especially for smaller and express loans).
- Increase the availability of small-dollar loans by subsidizing microloans under \$100,000 for community based and mission-driven lenders, including CDFIs, SSBCI participating lenders, SBA lenders, and non-bank lenders. Many lenders cite that loans under \$100,000 are not profitable enough to underwrite, citing the cost of loan origination, underwriting, monitoring, etc., which make these loans unattractive to many lenders.

- Prohibit "confessions of judgment" clauses, as proposed in the Small Business Lending Fairness Act, in small business lending agreements whereby borrowers agree in advance to waive their right to contest any dispute with a lender, often costing them their entire savings.
- In any attempt to amend regulations to the Community Reinvestment Act (CRA), the regulators of the CRA (Federal Reserve, Office of the Comptroller of the Currency, and Federal Deposit Insurance Corporation) must reward banks that drive investment by engaging in small-dollar lending, maintaining commitments to equitable lending, and expanding incentives that make loan products available to entrepreneurs of all sizes. Enhancements to CRA activities and enforcement include lowering asset and loan thresholds that cover more banks, strengthening restrictions on mergers and acquisitions due to poor CRA scores, and further incentivizing the use of special credit initiatives, building upon the success of the 2023 final rule to modernize the CRA.
- Support access to and education around the implementation of Artificial Intelligence (AI) tools by requiring SBA programs to provide access to training and resources on the use of AI in entrepreneurship. To do this, Congress should pass the Artificial Intelligence Wisdom for Innovative Small Enterprises (AI-WISE) Act (H.R. 5784), which would require resource partners at SBA to include AI programming into their curriculum for entrepreneurs.
- Strengthen access to federal resources for rural small businesses by expanding outreach and education initiatives to rural entrepreneurs through collaborative efforts between the SBA's Office of Rural Affairs and the U.S. Department of Agriculture (USDA). Both the SBA and USDA should continue exploring ways to uplift local lenders and resource partners to deliver more targeted support to rural entrepreneurs. This includes reaching more small business owners through programs such as USDA's Rural Microentrepreneur Assistance Program and Intermediary Relending Program, and by reevaluating how SBA loan programs, including the 7(a) and Microloan programs, can better serve small businesses in rural America.
- Expand access to federal procurement set-aside programs designed to support small businesses in the pursuit of accessing federal contracts, like the SBA 8(a) program, Department of Transportation Disadvantaged Business Enterprise Program (DBE), the Minority Business Development Agency, and the Department of Defense Apex Accelerators.
- Create access to small business contracting opportunities by maintaining and expanding the Rule of Two to multiple award contracts. Currently, small businesses make up roughly 26% of all federal contracts. The Rule of Two states that a contract must be set aside for a small business if at least two qualified and competitive small businesses apply for the work.