

April 25, 2022

The Honorable Chuck Schumer
Majority Leader
United States Senate
S-221, The Capitol
Washington, D.C. 20510

The Honorable Mitch McConnell
Minority Leader
United States Senate
S-230, The Capitol
Washington, D.C. 20510

The Honorable Nancy Pelosi
Speaker
United States House of Representatives
H-232, The Capitol
Washington, D.C. 20515

The Honorable Kevin McCarthy
Minority Leader
United States House of Representatives
H-204, The Capitol
Washington, D.C. 20515

RE: Business Organizations Ask You to Preserve \$10 billion allocation to the State Small Business Credit Initiative

Dear Majority Leader Schumer, Minority Leader McConnell, Speaker Pelosi and Minority Leader McCarthy:

As representatives of small businesses around the country, our organizations know firsthand that access to capital can determine the success of any small business. Capital helps small businesses start, grow and expand. It also breathes life into the business ecosystem and helps small business owners act as the economic engines for their communities. But when financing is not available or scarce, it can undermine entrepreneurship and create barriers for under-resourced communities. That's why we are disheartened to learn that more than \$2 billion would be rescinded from the State Small Business Credit Initiative (SSBCI) to help pay for the COVID Supplemental Appropriations Act.

Last year, the American Rescue Plan (ARP) allocated new funding to reauthorize the State Small Business Credit Initiative (SSBCI), which was originally developed in 2011 and supported nearly \$8 billion in new lending and investment in its first five years. ARP's \$10 billion allocation builds upon this successful model and also includes new funding for technical assistance, an essential component to any small business lending program.

Unfortunately, the pay-fors would rescind over \$2 billion of the \$10 billion allocated to SSBCI. This would diminish the third tranche of the main capital fund, as well as some of the national technical assistance funding, both of which will undercut the success and reach of the program.

Small businesses need robust investments in SSBCI and other loan and resource programs because many businesses across the country are still struggling to recover from the pandemic. In the Federal Reserve's recent [Small Business Credit Survey of 2022](#), 85% of small businesses reported experiencing financial challenges in the prior 12 months. What's more, Small Business Majority's recent [research](#) found nearly 4 in 10 say their revenue has declined since this time last year. While 72% of small businesses expect to seek credit in 2022 to grow their business, according to the Small Business Credit Survey, approval rates for financing are on the decline.

These findings reiterate the need for small business support, which is why rescinding funds from SSBCI would be harmful to the small business ecosystem.

We urge you to preserve SSBCI's \$10 billion allocation. You must ensure this proven, successful program can reach as many small businesses as possible.

Sincerely,

Access Plus Capital	ICA Fund Good Jobs (Inner City Advisors)
Access to Capital for Entrepreneurs (ACE)	Inland Empire Regional Chamber of Commerce
Accessity	Inner City Capital Connections (ICIC)
Adelante Community Development	Invest in Women Initiative
African Chamber of Commerce of Colorado, USA	Jefferson Economic Development Institute (JEDI)
American Booksellers Association	La Grange Business Association
American Independent Business Alliance (AMIBA)	Local Initiatives Support Corporation (LISC)
America's Small Business Development Centers (SBDCs)	Los Angeles County Economic Development Corporation
AmPac Business Capital	Main Street Alliance (MSA)
Ascendus Inc	Main Street America
Atlanta Wealth Building Initiative	Mega Bank, a California Banking Corporation
Brush Chamber of Commerce	Microenterprise Collaborative of Inland Southern California
California Asian Pacific Chamber of Commerce	National Coalition for Asian Pacific American Community Development
California Association for Micro Enterprise Opportunity (CAMEO)	National Latina Business Women Association-Inland Empire
California Coastal Rural Development Corporation	New York City SCORE
California EDGE Coalition	Next Street
California Forward	NextGen California
California Small Business Development Center (SBDC) - Valley Sierra - Merced - Central California Regional Lead Center	Northern Virginia Hispanic Chamber of Commerce
Calvert Impact Capital	Opportunity Finance Network (OFN)
Cambridge Local First	Pacific Community Ventures (PCV)
CDC Small Business Finance	PCI Builders
Chino Valley Chamber of Commerce	Prestamos CDFI Chicanos Por La Causa, Inc.
Colorado Black Chamber of Commerce (CBCC)	Right to Start
Common Future	Roberts Enterprise Development Fund (REDF)
Communities Unlimited	Rogers Park Business Alliance
Community Reinvestment Fund	Small Business Majority
Council of Development Finance Agencies	SomerCor 504, Inc.
Democracy at Work Institute	The Unity Council
EforAll	The Fax Partnership
Energize Colorado	Virginia Small Business Financing Authority
Gravity Venture Partners	Urban League of Greater Atlanta

Washington Area Community Investment Fund
Inc. (WACIF)

Women's Business Development Center
(WBDC) – Chicago

CC:

The Honorable Sherrod Brown, Chairman of the U.S. Senate Committee on Banking, Housing, and Urban Affairs

The Honorable Patrick Toomey, Ranking Member of the U.S. Senate Committee on Banking, Housing, and Urban Affairs

The Honorable Maxine Waters, Chairwoman of the U.S. House Committee on Financial Services

The Honorable Patrick McHenry, Ranking Member of the U.S. House Committee on Financial Services

The Honorable Ben Cardin, Chairman of the U.S. Senate Committee on Small Business & Entrepreneurship

The Honorable Dr. Rand Paul, Ranking Member of the U.S. Senate Committee on Small Business & Entrepreneurship

The Honorable Nydia Velazquez, Chairwoman of the U.S. House Committee on Small Business

The Honorable Blaine Luetkemeyer, Ranking Member of the U.S. House Committee on Small Business

The Honorable Janet Yellen, Secretary of the U.S. Department of the Treasury

The Honorable Shalanda Young, Director of the Office of Management and Budget