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 That’s why we are disheartened to learn that more than $2 billion would be rescinded from the State Small Business Credit Initiative (SSBCI) to help pay for the COVID Supplemental Appropriations Act.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
Access to Capital for Entrepreneurs (ACE)
Accessity
Adelante Community Development
African Chamber of Commerce of Colorado, USA
American Booksellers Association
American Independent Business Alliance (AMIBA)
America's Small Business Development Centers (SBDCs)
AmPac Business Capital
Ascendus Inc
Atlanta Wealth Building Initiative
Brush Chamber of Commerce
California Asian Pacific Chamber of Commerce
California Association for Micro Enterprise Opportunity (CAMEO)
California Coastal Rural Development Corporation
California EDGE Coalition
California Forward
California Small Business Development Center (SBDC) - Valley Sierra - Merced - Central
California Regional Lead Center
Calvert Impact Capital
Cambridge Local First
CDC Small Business Finance
Chino Valley Chamber of Commerce
Colorado Black Chamber of Commerce (CBCC)
Common Future
Communities Unlimited
Community Reinvestment Fund
Council of Development Finance Agencies
Democracy at Work Institute
EforAll
Energize Colorado
Gravity Venture Partners
ICA Fund Good Jobs (Inner City Advisors)
Inland Empire Regional Chamber of Commerce
Inner City Capital Connections (ICIC)
Invest in Women Initiative
Jefferson Economic Development Institute (JEDI)
La Grange Business Association
Local Initiatives Support Corporation (LISC)
Los Angeles County Economic Development Corporation
Main Street Alliance (MSA)
Main Street America
Mega Bank, a California Banking Corporation
Microenterprise Collaborative of Inland Southern California
National Coalition for Asian Pacific American Community Development
National Latina Business Women Association-Inland Empire
New York City SCORE
Next Street
NextGen California
Northern Virginia Hispanic Chamber of Commerce
Opportunity Finance Network (OFN)
Pacific Community Ventures (PCV)
PCI Builders
Prestamos CDFI | Chicanos Por La Causa, Inc.
Right to Start
Roberts Enterprise Development Fund (REDF)
Rogers Park Business Alliance
Small Business Majority
SomerCor 504, Inc.
The Unity Council
The Fax Partnership
Virginia Small Business Financing Authority
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