



October 11, 2024

The Honorable Chuck Schumer
Majority Leader
U.S. Senate
Washington, D.C. 20510

The Honorable Mike Johnson
Speaker
U.S. House of Representatives
Washington, D.C. 20515

The Honorable Mitch McConnell
Minority Leader
U.S. Senate
Washington, D.C. 20510

The Honorable Hakeem Jeffries
Minority Leader
U.S. House of Representatives
Washington, D.C. 20515

Dear Senate Majority Leader Schumer, Senate Minority Leader McConnell, Speaker Johnson, and House Minority Leader Jeffries:

As a representative of America's 34 million small businesses and on behalf of Small Business Majority, we write to urge Congress to take swift action on passing supplemental disaster relief funding for the U.S. Small Business Administration's (SBA) disaster loan program portfolio to support the recovery of the thousands of small businesses impacted by the devastation of Hurricanes Helene and Milton.

Small Business Majority is a national small business organization that empowers America's diverse entrepreneurs to build a thriving and equitable economy. We engage our network of more than 85,000 small businesses and 1,500 business and community organizations to deliver resources to entrepreneurs and advocate for public policy solutions that promote inclusive small business growth. Our work is bolstered by extensive research and deep connections with the small business community that enable us to educate stakeholders about key issues impacting America's entrepreneurs, with a special focus on the smallest businesses and those facing systemic inequities.

While Congress rightly provided the Federal Emergency Management Agency (FEMA) with an additional \$20 billion in flexible, up-front funding that has been critical in the federal government's response to these disasters, the SBA's disaster loan program, which provides emergency lines of credit for small businesses in times of devastation, is expected to run out of funding before Congress returns from recess. Therefore, it is critical that Congress heed SBA's warnings about the diminishing resources set aside to aid small business owners during this time of crisis. In the hardest hit areas entire communities and towns have been completely devastated, underscoring the need for increased attention and resources on the ground.¹ SBA is working to provide funding options, support and assistance for small businesses impacted by the two recent disasters, but Congress must do its part by authorizing the funding needed to meet the demand on the ground.

It has been reported that the SBA has less than \$100 million for new disaster loans, which is extremely concerning considering federal and state officials are still evaluating the combined toll of Hurricanes Helene and Hurricane Milton.² According to the White House, the estimated funding required to keep up

¹ "Statement from SBA Administrator Guzman," Small Business Administration, 2024 <https://www.sba.gov/article/2024/10/05/statement-president-bidens-letter-congress-disaster-loan-funding>

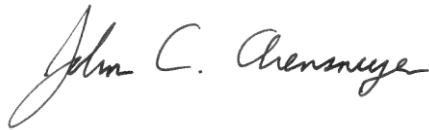
² "Disaster loan program for small businesses could run out of funds in weeks if Congress doesn't act", PBS News, 2024 <https://www.pbs.org/newshour/economy/disaster-loan-program-for-small-businesses-could-run-out-of-funds-in-weeks-if-congress-doesnt-act>

with the onslaught of disaster loan applications across SBA's core disaster loan products is \$1.6 billion.³ The products in SBA's disaster loan portfolio cover loss of property or repairs for physical damage, funding to bridge lost revenue after disaster strikes, and funding for mitigation needs. Given the devastation we have seen thus far, many business owners may need to tap into multiple streams of disaster relief funding, and access to these resources will be a critical pillar of many small business owners' disaster recovery strategy.

If Congress allows funding to lapse for these vital, low-interest loans, the SBA will be forced to withhold new loan offers from the thousands of businesses that will need assistance in the coming weeks and months. We urge Congress to work in good faith with the SBA to provide resources needed for small business owners in hurricane-impacted communities to ensure these business owners can rebuild, stay open and continue their operations. Failing to do so, whether that be through an emergency supplemental effort or through the formal FY25 appropriations debate, will leave thousands of already disadvantaged small business owners without the rapid response support they need to remain resilient in the face of these disasters.

We look forward to hearing from your office regarding Congress' intent to support the best interests of American small business owners in the impacted states. Should you have any questions or if you'd like to discuss this further, please do not hesitate to contact us.

Sincerely,

A handwritten signature in black ink that reads "John C. Arensmeyer". The signature is written in a cursive, flowing style.

John Arensmeyer
Founder & CEO
Small Business Majority

³ "Biden makes formal plea to Congress for disaster loan funds", Roll Call, 2024, <https://rollcall.com/2024/10/04/biden-makes-formal-plea-to-congress-for-disaster-loan-funds/>