



Rita M. Lowey
Congress of the United States
 18th District, New York

May 18, 2010

The Honorable Harry Reid
 Majority Leader
 U.S. Senate
 522 Hart Senate Office Building
 Washington, DC 20510

The Honorable Mitch McConnell
 Minority Leader
 U.S. Senate
 361-A Russell Senate Office Building
 Washington, DC 20510

Dear Senator Reid and Senator McConnell:

We write to urge you to include H.R. 4302, the Small Business Job Creation and Access to Capital Act of 2009, and H.R. 3457, the Small Business Credit Card Act of 2009, in the Senate jobs package.

Today, small business owners are severely limited in their ability to finance new business ventures because access to capital through historically reliable resources has dried up, and the lack of access continues to grow. The nation is counting on small businesses to play a leading role in our economic recovery. Small businesses are where most Americans work every day, and create 64% of the new jobs in our economy. Yet many are struggling to stay in business, much less expand.

One of the most urgent problems small businesses face today is access to capital. The Federal Reserve Senior Loan Officer Survey found that 74.6% of domestic banks have tightened lending for business borrowers. While many other avenues of capital have evaporated, loans guaranteed by the Small Business Administration (SBA) have significantly increased under changes adopted as part of the American Recovery and Reinvestment Act (ARRA). Specifically, SBA lending in its two largest programs has increased 79% since the ARRA was signed into law, supporting \$19 billion in loans to more than 40,000 businesses.

Higher SBA loan limits would allow small manufacturers, hotels, restaurants, franchises, and businesses in high-cost areas to grow, succeed, and create jobs. While the SBA changes under ARRA helped small businesses, H.R. 4302 would extend 7(a) loan guarantees and fee waivers for 7(a) and 504 loans to enhance the ability of the SBA to support larger loans and provide more options for small businesses. Specifically, H.R. 4302 would: 1) increase the loan limit on SBA 7(a) loans from \$2 million to \$5 million; 2) increase the loan limit on 504 loans for fixed assets, such as buildings and equipment, from \$1.5 million to \$5.5 million; 3) increase microloan limits from \$35,000 to \$50,000; 4) allow 504 loans to refinance short-term commercial real estate debt into long-term, fixed rate loans; 5) extend the authorization on 7(a) loans to provide 90% guarantees and eliminate fees on borrowers on 7(a) and 504 loans through December 31, 2010.

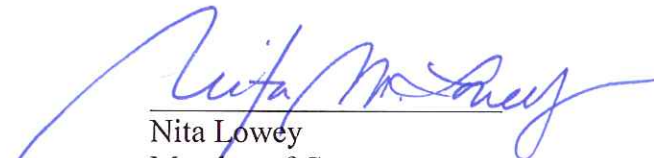
We believe that these changes could increase small business lending by an estimated \$5 billion in 2010 alone, while being budget neutral.

In addition to increasing SBA loans, we must act to protect small businesses from unfair and deceptive credit card practices. As private sector lending to small businesses has evaporated, small business owners and entrepreneurs have been relying on credit cards to purchase inventory, invest in their business, and cover their growing costs. Small businesses are being pushed to the brink into using credit cards as their primary source of working capital. In 1993, only 16% of small businesses used credit cards as a source of financing. In 2008, 44% of small businesses used credit cards to finance their business. One third of all small businesses using credit cards carry a monthly balance over \$10,000.

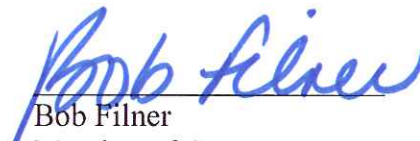
H.R. 3457 would amend the Truth in Lending Act to cover businesses with 50 or fewer employees. We should extend credit card protections for individuals to small businesses so that they may be protected from unfair, deceptive, and anti-competitive practices.

We urge you to consider H.R. 4302 and H.R. 3457 in future jobs legislation so that small businesses can continue to grow our economy, invest in our future, and assist in our economic recovery.

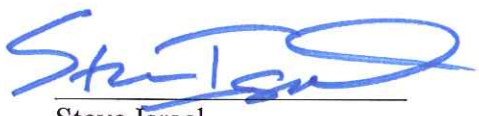
Sincerely,



Nita Lowey
Member of Congress




Bob Filner
Member of Congress



Steve Israel
Member of Congress



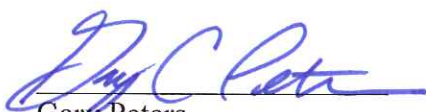
Dan Lipinski
Member of Congress



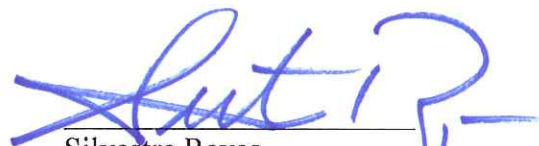
Jerrold Nadler
Member of Congress



Bill Owens
Member of Congress



Gary Peters
Member of Congress



Silvestre Reyes
Member of Congress