July 22, 2015

The Honorable David Vitter
Chairman
Committee on Small Business
& Entrepreneurship
U.S. Senate
Washington, D.C. 20510

The Honorable Jeanne Shaheen
Ranking Member
Committee on Small Business
& Entrepreneurship
U.S. Senate
Washington, D.C. 20510

The Honorable Steve Chabot
Chairman
Committee on Small Business
U.S. House of Representatives
Washington, D.C. 20515

The Honorable Nydia Velázquez
Ranking Member
Committee on Small Business
U.S. House of Representatives
Washington, D.C. 20515

Dear Chairman Vitter, Ranking Member Shaheen, Chairman Chabot, and Ranking Member Velázquez:

On behalf of the more than 6,000 community banks represented by ICBA, I write to urge our support for an increase in the legal lending limit for the Small Business Administration's (SBA's) 7(a) guaranteed lending program before the current cap of $18.75 billion is reached. Swift action is needed to prevent a disruption in vital credit to thousands of small businesses.

Community banks are prolific small business lenders and heavy users of the 7(a) program. Community banks make up the majority of SBA lenders and are responsible for nearly 50 percent of all small business loans.

The 7(a) program is fully funded by user fees. No taxpayer dollars are appropriated. Nevertheless, a program authorization level must be approved by Congress each year, and once that level is reached, no more loans can be approved. If, as projected, the 7(a) program reaches its cap in late July or early August, well before the end of the fiscal year, credit will be abruptly cut off to thousands of small businesses that rely on this program for payrolls, investment, and expansion. Loss of 7(a) funding will needlessly disrupt the economic recovery and potentially lead to job loss.

Congress should act with all due haste to approve an increase in program authority – preserving small business funding and employment without the expenditure of taxpayer dollars – before Congress adjourns for the August recess.

Thank you for your consideration.

Sincerely,

/s/

Camden R. Fine
President & CEO

CC: Senate Appropriations Chairman Thad Cochran
Senate Appropriations Ranking Member Barbara Mikulski
House Appropriations Chairman Hal Rogers
House Appropriations Ranking Member Nita Lowey

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