

May 15, 2020

The Honorable Nancy Pelosi  
Speaker of the House  
1236 Longworth House Office Building  
Washington, DC 20515

The Honorable Kevin McCarthy  
Republican Leader  
2468 Rayburn House Office Building  
Washington, DC 20515

The Honorable Mitch McConnell  
Republican Leader  
317 Russell Senate Office Building  
Washington, DC 20510

The Honorable Charles Schumer  
Democratic Leader  
322 Hart Senate Office Building  
Washington, DC 20510

The Honorable Maxine Waters  
Chairwoman, House Committee on Financial  
Services  
2129 Rayburn House Office Building  
Washington, DC 20515

The Honorable Patrick McHenry  
Ranking Member, House Committee on Financial  
Services  
2004 Rayburn House Office Building  
Washington, DC 20515

The Honorable Mike Crapo  
Chairman, Senate Committee on Banking,  
Housing, and Urban Affairs  
534 Dirksen Senate Office Building  
Washington, DC 20510

The Honorable Sherrod Brown  
Ranking Member, Senate Committee on Banking,  
Housing, and Urban Affairs  
503 Hart Senate Office Building  
Washington DC 20510

Dear Congressional Leadership,

As the situation surrounding COVID-19 evolves, small businesses and communities across the country will very quickly face liquidity challenges, job losses, and project stagnation. Credit will be tightening and small businesses will struggle to make payroll while communities will be forced to scale back or halt infrastructure development. Banks will certainly play a major role in addressing this, but banks will not be able to quickly loosen their credit standards. Small businesses need affordable capital, and this need can be quickly and efficiently met through the allocation of funding for SSBCI.

The State Small Business Credit Initiative (SSBCI) was a master class in how federal financing programs can target and support small business development. SSBCI allowed states the flexibility to design their own small business support programs to accommodate the variation in regional economic conditions. Because of the flexibility and adaptability of the SSBCI funds, states were able to deploy over \$1.4 billion to support small businesses. Those \$1.4 billion leveraged well over \$8 billion in private small business loans and investments.

The SSBCI program's ability to leverage private capital made it an ideal federal program, as it was both incredibly cost-effective and highly impactful. One can trace the SSBCI program's impact by following the money; 80 percent of all SSBCI loans and investments went to businesses with 10 or fewer employees, and 42 percent went to businesses in low- and moderate-income communities. More than 16,900 small businesses in the U.S. received financial support from SSBCI, resulting in the creation or retention of 190,000 American jobs. This powerful program is exactly what small businesses need in times of crisis.

The expiration of the SSBCI Program in 2017 left a void in the marketplace for affordable small business loans. A \$2 billion infusion in a reauthorized SSBCI Program would provide immediate access to capital for small businesses that desperately need it. The programs created by states under the original SSBCI are still in

operation and would be ready to immediately deploy capital to businesses in need. There would be no need to create new rules and regulations should this option be enacted. States are prepared to receive an infusion of SSBCI funding immediately.

CDFA along with hundreds of loan providers and development finance agencies ask that you include a reauthorization of funding for the SSBCI Program in the upcoming stimulus package. We thank you for considering our views, and we stand prepared to respond to any questions that you might have.

Sincerely,  
The Undersigned

**National**

Council of Development Finance Agencies

**Alabama**

Lee-Russell Council of Governments

**Arkansas**

Alliance for Rural Impact

**California**

California Association for Micro Enterprise Opportunity

Opportunity Fund

Pacific Enterprise Bank

Dowdell Consulting

**Colorado**

Colorado Housing and Finance Authority

Colorado Springs Chamber & EDC

Capital Innovation & Technology Institute LLC

Upper Arkansas Area Council of Governments

**Florida**

Greater Gainesville Chamber of Commerce

Seminary Covenant Community

Kosan Associates

**Georgia**

Central Atlanta Progress

THE TRINITY 7:16-17 FOUNDATION

**Guam**

Sorensen Media Group

**Illinois**

Illinois Finance Authority

**Indiana**

Elevate Ventures

**Kansas**

City of Pittsburg

**Louisiana**

New Orleans Business Alliance

**Maine**

Finance Authority of Maine

Northern Maine Development Commission

**Maryland**

CohnReznick LLP

**Massachusetts**

Karl Seidman Consulting Services

LifeStream, Inc.

**Missouri**

St. Louis Development Corporation

Organization for Building American Communities

Midland States Bank

Kingsway Redevelopment Initiative

**Montana**

Anaconda Local Development Corporation

Great Northern Development Corporation

Prospera Business Network

**Nevada**

Northern Nevada Development Authority

**New Mexico**

New Mexico Economic Development Department

radicle

**New York**

Community Capital New York

**North Carolina**

N.C. Rural Center

**Ohio**

Bradley Payne Advisors

Fulton County Economic Development Corporation

Scioto County Economic Development

Envision Group LLC

**Oregon**

Business Oregon

**Pennsylvania**

Philadelphia Industrial Development Corporation

Altoona-Blair County Development Corporation

Northside Community Development Fund

Chester County Economic Development Council  
Community First Fund

**South Carolina**

Business Development Corporation  
Wilson Consulting Associates

**Tennessee**

S&ME, Inc.

**Texas**

Gulf Coast Authority  
Gosling Road Management LLC  
Corey Artis, Texas  
Crockett Economic & Industrial Development Corp.

**U.S. Virgin Islands**

U.S. Virgin Islands Economic Development Authority  
U.S.V.I. Economic Development Bank

**Utah**

Utah Center for Neighborhood Stabilization  
Wasatch I.T.

**Vermont**

Vermont Economic Development Authority

**Washington**

HomeSight

**West Virginia**

West Virginia Economic Development Authority

**Wisconsin**

Langlade County Economic Development  
VJS Construction Services