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February 24, 2015

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

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

Re: SBA Lending and Credit Unions

Dear Chairman Chabot and Ranking Member Velázquez:

On behalf of the National Association of Federal Credit Unions (NAFCU), the only trade association exclusively representing our nation's federally chartered credit unions, I write today as the committee prepares for the testimony of Small Business Administration (SBA) administrator Maria Contreras-Sweet. NAFCU member credit unions and the 100 million credit union members across the country appreciate the committee holding this important hearing on SBA lending.

As you know, credit unions have a longstanding working relationship with SBA and utilize SBA lending programs to facilitate the flow of capital to small business. Tomorrow morning at Washington Gas Light Federal Credit Union in Springfield, Virginia, NAFCU and the SBA will be highlighting efforts to further educate credit unions about SBA programs with an emphasis on the Administration's 7(a) micro-lending initiative. SBA programs are particularly valuable to credit unions given that each dollar of an SBA-guaranteed business loan from a credit union is excluded from the credit union's member business lending cap. This affords credit unions much-needed flexibility to serve their small business members.

With respect to the 7(a) program we will also continue to work with Congress and SBA to review the policy that certifies the guarantee of a loan. Currently, a lender is not provided certification of the guarantee until after the loan has been completed. NAFCU continues to hear from our members that this inaction has discouraged entry to the SBA market.

Again, thank you for holding this important hearing. NAFCU appreciates the oversight role Congress plays and looks forward to working with members of the committee and the SBA to increase access to capital for small business, provide clarity for lenders and borrowers, and achieve greater participation by credit unions in SBA programs. If my staff or I can be of assistance to you please feel free to contact myself, or NAFCU's Director of Legislative Affairs, Jillian Pevo, at 703-842-2836.

Sincerely,

Carrie R. Hunt

cc: Members of the House Small Business Committee