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Carrie R. Hunt
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National Association of Federal Credit Unions | www.nafcu.org

May 18, 2015

The Honorable Tom Rice
Chairman
Subcommittee on Economic Growth, Tax
and Capital Access
Small Business Committee
U.S. House of Representatives
Washington, D.C. 20515

The Honorable Judy Chu
Ranking Member
Subcommittee on Economic Growth, Tax
and Capital Access
Small Business Committee
U.S. House of Representatives
Washington, D.C. 20515

Re: Tomorrow's Hearing: *Improving Capital Access Programs within the SBA*

Dear Chairman Rice and Ranking Member Chu:

On behalf of the National Association of Federal Credit Unions (NAFCU), the only national trade association that exclusively represents the interests of federal credit unions, I write in conjunction with tomorrow's hearing *Improving Capital Access Programs within the SBA*.

Credit unions have a long history of providing loans to small businesses through programs administrated by the Small Business Administration (SBA). Credit unions have become an important source of capital for small businesses, particularly those that are seeking smaller loans. These loans are often the capital needed for a small business to expand and create more jobs.

Through the use of the SBA 504, 7a, and Patriot Express loan programs credit unions are providing capital to small businesses every day. In fact, NAFCU recently signed a Memorandum of Understanding (MOU) with the SBA to help facilitate more credit union business lending via SBA Programs. SBA Administrator Maria Contreras-Sweet noted, "Credit unions have stepped up and stepped in to fill a real need, adding outlets for SBA loans in communities that need our assistance the most."

While NAFCU and the entire credit union industry is engaged and committed to working with the SBA to provide capital to small businesses, there are still ways to improve SBA programs to help facilitate more lending. For example, currently only the guaranteed portion of loans made through SBA programs are exempt from the credit union member business lending cap. This presents both a barrier to entry and an obstacle to longtime SBA lenders. Exempting the entirety of loans made through SBA programs would increase the capital credit unions could provide small businesses, and it would prevent lenders from having to pull back from a successful SBA lending program because of an arbitrary business lending cap.

Credit unions are dedicated to working with the SBA to provide access to capital for small businesses, but while the SBA's financial programs are providing much needed opportunities to established and fledgling businesses, there are still challenges withholding the programs from

their full potential. We appreciate the subcommittee's continued focus on how to improve the programs with this hearing.

We look forward to working with the subcommittee and SBA in improving its lending programs. If my staff or I may be of assistance or you have any questions, please don't hesitate to contact me or Vice President of Legislative Affairs Brad Thaler at 703-842-2204.

Sincerely,

A handwritten signature in black ink, appearing to read "Carrie R. Hunt", with a long, sweeping horizontal line extending to the right.

Carrie R. Hunt
Senior Vice President of Government Affairs & General Counsel

cc: Members of the Subcommittee on Economic Growth, Tax and Capital Access