



1120 Connecticut Avenue, NW
Washington, DC 20036

1-800-BANKERS
www.aba.com

*World-Class Solutions,
Leadership & Advocacy
Since 1875*

Floyd Stoner
Executive Director,
Congressional Relations &
Public Policy
Phone: 202-663-5339
Fax: 202-828-4548
fstoner@aba.com

April 20, 2007

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

Dear Chairwoman Velázquez:

On behalf of the American Bankers Association (ABA), I am writing to express our support for H.R. 1332, the Small Business Lending Improvements Act of 2007, which is scheduled for House floor consideration as early as next week.

Demand for small business lending has increased significantly. The Small Business Administration's (SBA) flagship 7(a) loan program and the 504 program have served as key ingredients in the success of America's small businesses and have been important tools for building a robust economy and creating jobs. H.R. 1332 takes several important steps to improve upon the success of these programs by making them more flexible and cost efficient for the lender and the borrower. We support the provisions that allow borrower and lender fees to be reduced commensurate with an appropriation. We believe that with successful passage of an appropriation, 7(a) borrowers and lenders will receive much needed fee relief.

We also support the provisions of the legislation that establish a Rural Lender Outreach Program with an 85 percent guarantee for loans of \$250,000 or less. This program will allow lenders, particularly community lenders, to effectively reach borrowers in designated rural areas. In addition, the legislation moves to make the Community Express Program permanent. This program has been very successful in meeting the lending needs of women, minority and veteran owned businesses. Promoting this program to permanent status is a firm indication of the Committee's commitment to serve this fast growing segment of small businesses.

We thank Congresswoman Melissa Bean for introducing this legislation, and we applaud you and Ranking Member Steve Chabot for moving this legislation to the House floor in a bipartisan manner. ABA and our member institutions look forward to working with the Committee on this and future legislation to assist our country's small businesses.

Sincerely,

A handwritten signature in black ink that reads 'Floyd E. Stoner'.

Floyd E. Stoner

Cc: The Honorable Steve Chabot, Ranking Member
The Honorable Melissa Bean