



March 16, 2020

The Honorable Nancy Pelosi
Speaker of the House
H-232 U.S. Capitol
Washington, D.C. 20515

The Honorable Mitch McConnell
Senate Majority Leader
S-230 U.S. Capitol
Washington, D.C. 20510

The Honorable Kevin McCarthy
Minority Leader
H-204 U.S. Capitol
Washington, D.C. 20515

The Honorable Charles Schumer
Minority Leader
S-221 U.S. Capitol
Washington, D.C. 20510

Dear Speaker Pelosi and Leader McConnell:

On behalf of the Consumer Bankers Association (CBA), I am writing to convey our support for Congressional action to ease economic hardship on individuals and business as our nation rises to the challenge posed by COVID-19. Our members operate in all 50 states, serve more than 150 million Americans, and collectively hold two-thirds of the country's total depository assets. At this time of extreme uncertainty, our banks are well capitalized, well managed, and stepping up to serve the needs of their customers and employees.

As COVID-19 spreads to affect a continued number of consumers and businesses the banking industry is well positioned to help those affected by economic hardship. Ensuring main street businesses have uninterrupted access to funds that will enable them to serve the communities they operate is a primary concern of our members. Of the 100 most active Small Business Administration (SBA) 7(a) lenders, CBA members make the majority of 7(a) loans.¹ Our members have implemented emergency measures to assist those who have been impacted and appreciate statements from regulators allowing for increased flexibility. Although these are beneficial steps, banks have seen an increase in small business owners inquiring about available credit line options, should they see prolonged business disruptions.

We are grateful for your work on legislation to address the crisis and urge you to work quickly on additional legislation to promote economic stability. Our urgent recommendations to Congress that will maximize lenders ability to utilize SBA lending in this critical time include:

- Waiving the 7(a) guaranty fee, or at a minimum lower the 7(a) guaranty fee by 50% on new originations.
- Waiving the Small Business Administration (SBA) Express guaranty fee on new originations.
- Increase the SBA Express guaranty to 75%.

¹ Office of Capital Access, "100 most active SBA 7(a) lenders," *Small Business Administration*, December 31, 2017, <https://www.sba.gov/article/2017/oct/01/100-most-active-sba-7a-lenders>

- Increase SBA Express to \$500,000 limit from the current \$350,000.

America's small businesses need near-term relief to address the operational and payroll challenges resulting from the effects of this pandemic. The 7(a) Loan Program is a significant asset the federal government should use to expeditiously distribute capital to struggling small businesses and the broader economy. Furthermore, financial institutions are in direct communication with these small businesses and understand their specific circumstances and immediate needs.

CBA is grateful for your leadership and decisive action taken to date, and we remain eager to work with you in any capacity to help address this crisis.

Sincerely,

A handwritten signature in cursive script that reads "Richard Hunt".

Richard Hunt
President and CEO
Consumer Bankers Association

Cc: Members of the U.S. House of Representatives
U.S. Senators