



**Opening Statement of Chairman Sam Graves
Committee on Small Business
SBA's Management of its Capital Access Programs
June 6, 2012**

Good afternoon. Today we welcome back to the Committee, SBA Administrator Karen Mills. Administrator Mills is well aware of the Committee's interest and role in making sure that SBA's financing programs are not only serving the needs of small businesses, but that they are also being managed in a way that safeguards taxpayer dollars.

The Committee has held a variety of hearings that have highlighted both the needs of small businesses in accessing capital and the needs of lenders for clear and consistent regulatory guidance. During a time of fragile economic recovery, when we are looking to our small businesses to help create growth and jobs, how to meet the financial needs of these firms is of great importance.

In Fiscal Year 2013, SBA requested a 67 percent increase in subsidy to cover the costs of its financing programs while lowering the authorization level in the 7(a) and 504 programs. As the SBA financing programs become more expensive to operate, it is vital that we look for ways to reduce costs to the taxpayers. This means making sure that SBA is effectively managing its programs in a transparent manor, reducing paperwork burdens and conducting effective oversight of lenders.

Today we are here to examine the procedures that SBA uses to manage its financial assistance programs. We will also look at how SBA undertakes its mission of overseeing its \$90 billion dollar loan portfolio and controlling costs.

For the SBA lending programs to be effective, they must control not only costs, but also control risk. We look forward to learning more about how SBA sets policy for its financial assistance programs; to find out what SBA is doing to be more transparent to its lending partners and to the public; and how SBA is managing risk to the taxpayers.

SBA must foster the partnership between agency and its private-sector lending partners, so that the SBA lending programs can achieve their statutory mission of serving the needs of small businesses. At the same time we understand that SBA needs to exercise robust and effective oversight of its lending partners who are often given a great deal of discretion to obligate taxpayers on behalf of SBA.

With that, I now yield to Ranking Member Velazquez for her opening statement.