



Chairman Tom Rice
Subcommittee on Economic Growth, Tax and Capital Access
“Improving Capital Access Programs within the SBA”
May 19, 2015

Good morning. Thank you all for being with us today. I call this hearing to order.

As a result of the Great Recession, lending to small firms declined, and only recently have we started to see signs of growth. For small businesses, access to capital is often the deciding factor if a business will expand or close its doors. Since the Small Business Administration’s creation over 60 years ago, the agency has been tasked to administer programs that help entrepreneurs receive capital. In doing so, the SBA oversees four primary lending programs: the 7(a) Guaranteed Loan Program, the Certified Development Company (CDC) Loan Program, the Small Business Investment Company (SBIC) Program, and the Microloan Program.

Each of these programs, as we will hear today, serves a unique purpose and aims to fill a gap in the commercial marketplace. Although this is a great oversimplification of the process, the Small Business Administration does not directly provide funds to small businesses through any of these programs. Instead, the administration guarantees the repayment of credit and equity issued by private-sector partners. These industry partners are vital to the success of the programs and ensuring that small businesses have access to the capital they need to grow.

Today, we are fortunate to have an industry witness here from each program to shed light on the assistance they provide and share with us their thoughts on how they can better their respective programs. I am looking forward to hearing your recommendations and thank you all for taking the time to be here.

I now yield to the Ranking Member for her opening remarks.