

Congress of the United States  
U.S. House of Representatives  
Committee on Small Business  
2361 Rayburn House Office Building  
Washington, DC 20515-6515

July 19, 2023

The Honorable Isabella Casillas Guzman  
Administrator  
U.S. Small Business Administration  
409 3<sup>rd</sup> Street, SW  
Washington, D.C. 20416

Dear Administrator Guzman:

As noted by Republicans and Democrats on both the Senate and House Committees on Small Business, the roll-out of the Small Business Administration's (SBA) new lending rules that affect the agency's flagship 7(a) loan program have been problematic.<sup>1</sup> Aside from the policy implications of these drastic changes, official inquiries have been made regarding the Office of Capital Access' communications with external stakeholders during the notice and comment periods during these two rulemakings. We write today to reiterate these requests for information on the problematic rules and their drafting.

In the Senate Small Business Committee hearing with then Associate Administrator Patrick Kelley on April 26, 2023, Mr. Kelley was asked whether he had made any, "promises or commitments concerning the SOPs documents or agency procedural notices in order to garner support for these rules."<sup>2</sup> He testified under oath that he had not.<sup>3</sup> During the hearing, Ranking Member Joni Ernst requested, and Mr. Kelley agreed, to share records of his schedule, phone logs, and email communications during the rulemaking periods for both 7(a) rules for the period covering October 2022 – April 2023.<sup>4</sup>

Ranking Member Ernst sent a follow-up letter on May 17, 2023, regarding this request.<sup>5</sup> The letter asked that the SBA honor the commitment by Mr. Kelley to share his communication records despite his resignation from the SBA on May 12, 2023.<sup>6</sup> The House Committee on Small Business shares the concerns articulated by Ranking Member Ernst and believes the requested

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<sup>1</sup> Letter from Benjamin Cardin *et al.*, Chairman, S. Comm. on Small Bus. & Entrepreneurship, to Isabella Casillas Guzman, Administrator to the U.S. Small Bus. Admin. (May 16, 2023).

<sup>2</sup> *Oversight of SBA's Implementation of Final Rules to Expand Access to Capital: Hearing Before S. Comm. on Small Business and Entrepreneurship*, 118<sup>th</sup> Cong. (Apr. 26, 2023).

<sup>3</sup> *Id.* (statement of Associate Administrator of the Office of Capital Access, Patrick Kelley, U.S. Small Business Admin.).

<sup>4</sup> *Id.*

<sup>5</sup> Letter from Joni Ernst, Ranking Member, S. Comm. on Small Bus. & Entrepreneurship to Isabella Casillas Guzman, Administrator, U.S. Small Bus. Admin. (May 17, 2023).

<sup>6</sup> *Id.*

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information is vital to better understand the actions taken by Mr. Kelley and ensure nothing nefarious happened outside of the public notice and comment period to influence the outcomes of these rulemakings. Therefore, the House Committee on Small Business requests the same information sought in Ranking Member Ernst's letter from May 17, 2023 (copied below for your convenience) as soon as possible but no later than August 2, 2023:

1. Patrick Kelley's emails, calendar notices, phone call records, and any other official communications during the full rulemaking periods for both rules which ran from October 26, 2022 to April 12, 2023.

To schedule the delivery of your response or ask any related follow-up questions, please contact Committee on Small Business Majority Staff at (202) 225-5821. The Committee on Small Business has broad authority to investigate "problems of all types of small business" under House Rule X. Thank you in advance for your cooperation with this inquiry.

Sincerely,

A handwritten signature in black ink that reads "Roger Williams". The signature is written in a cursive style with a large, prominent "R" and "W".

Roger Williams  
Chairman  
Committee on Small Business