

Opening Statement of Chairman Dave Brat
Subcommittee on Economic Growth, Tax, and Capital Access
“Oversight Improvements Needed: SBA OIG’s Review of the Microloan Program”
October 12, 2017

Good afternoon. The Subcommittees meet today to take a closer look at SBA’s Microloan Program through the Office of Inspector General’s recent audit.

As has been noted in earlier statements today, this program exists to help qualifying small businesses gain access to capital and training to start or build their businesses. However, the OIG report we are discussing today raises some serious red flags.

Like all government programs, in order to run effectively and efficiently, the Microloan Program needs oversight. SBA has a responsibility to conduct that oversight.

According to its OIG, however, SBA has not been conducting adequate oversight. In fact, based on OIG’s audit, SBA lacks performance metrics to gauge the performance of the Microloan Program.

Weak oversight undermines the purpose of the program. It invites fraud and waste into the program. And it puts American taxpayer dollars at risk.

Yes, the size of the microloans and, therefore, the size of the program, is much smaller than other SBA lending programs, like the 7(a) Loan program. But it is no less important that proper oversight be conducted.

To ensure that the Microloan Program actually serves those small businesses it is intended to help, and to protect American taxpayer dollars, SBA needs to improve its oversight of the Microloan Program.

I yield back the balance of my time.

