

**United States Senate**  
WASHINGTON, DC 20510-0908

March 31, 2023

The Honorable Chris Van Hollen  
Chairman  
Financial Services and General Government  
Appropriations Subcommittee  
Washington, DC 20510

The Honorable Bill Hagerty  
Ranking Member  
Financial Services and General Government  
Appropriations Subcommittee  
Washington, DC 20510

Dear Chairman Van Hollen and Ranking Member Hagerty:

We are writing to respectfully request that the Financial Services and General Government Appropriations bill for Fiscal Year 2024 (FY2024) provide \$56 million for the Small Business Administration's (SBA) Microloan Program. Of that amount, we request that \$50 million be provided for Microloan Technical Assistance grants and \$6 million be provided for the Microloan subsidy to leverage a program level of \$110 million.

The SBA Microloan Program was authorized in 1991 (P.L. 102-140) to provide technical assistance and small-scale loans to small businesses that are unable to qualify for conventional loans and other SBA guaranteed loans. Working through a network of community-based intermediary lenders, the SBA Microloan Program can finance and support new, early stage, and existing businesses in underserved markets. The program has been extremely successful in helping women, minorities, low-income, and veteran entrepreneurs turn their dreams into successful ventures that create jobs and grow the economy.

In FY2022, intermediaries made 5,050 loans totaling \$82.6 million, supporting 5,055 businesses and 19,154 jobs. It also serves more women and minorities, and businesses in rural areas on a proportional basis than any other SBA finance program. In FY2022, women-owned firms received over 50 percent of all loans issued, minority entrepreneurs received some 66 percent, and business in rural areas nearly 20 percent.

Access to capital is critical to the long-term success of small businesses. While the official SBA definition of a small business is a company with fewer than 500 employees, more than 80 percent of all businesses in this country employ 10 or fewer employees. The Microloan Program is especially helpful to these very small businesses because it allows intermediary lenders to provide small dollar, fixed-rate loans of up to \$50,000, a resource that may be inaccessible elsewhere for many very small businesses.

The Microloan Program provides much-needed capital to small firms, but it also provides technical assistance, a major key to the program's ongoing success. Microloan Technical Assistance provides participating intermediary lenders with matching grants to use towards intensive marketing, management, and loan advising services for micro borrowers. This makes lenders a "one-stop shop" where small businesses can secure flexible and accessible financing, as

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well as individualized technical assistance as needed during the life of a loan. The availability of this ongoing technical assistance is key to the program's reliable success.

\$56 million is an increase from the FY2023 funding level of \$47 million. This increase is necessary in order to continue providing Technical Assistance grants proportional to the program level. Given the high performance of the Microloan and Microloan Technical Assistance Programs in previous years, we strongly support these programs and hope you will provide at least \$56 million in your FY2024 Appropriations bill to finance, support, and grow small businesses in communities across the country.

Thank you for your consideration of our request.

Sincerely,



Benjamin L. Cardin  
United States Senator  
Chairman, Committee on  
Small Business and  
Entrepreneurship



Tammy Duckworth  
United States Senator



Jacky Rosen  
United States Senator



Mazie K. Hirono  
United States Senator




Jeanne Shaheen  
United States Senator

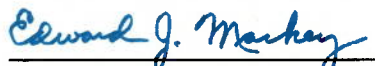


Maria Cantwell  
United States Senator


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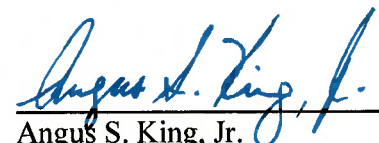
  
Richard Blumenthal  
United States Senator


  
Thomas R. Carper  
United States Senator

  
Edward J. Markey  
United States Senator

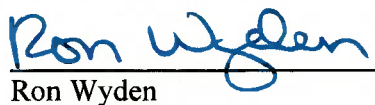
  
Christopher S. Murphy  
United States Senator

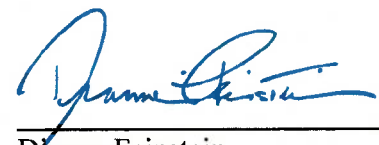
  
Tina Smith  
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United States Senator

  
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United States Senator

  
Ron Wyden  
United States Senator

  
Dianne Feinstein  
United States Senator

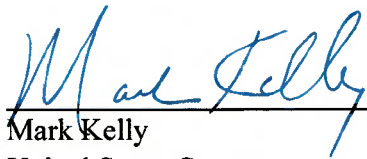
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Richard J. Durbin  
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Mark Kelly  
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Alex Padilla  
United States Senator



Raphael Warnock  
United States Senator



Peter Welch  
United States Senator



Robert P. Casey, Jr.  
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Elizabeth Warren  
United States Senator



Kyrsten Sinema  
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Debbie Stabenow  
United States Senator

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United States Senator



Gary C. Peters  
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Mark R. Warner  
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Bernard Sanders  
United States Senator



Margaret Wood Hassan  
United States Senator



Amy Klobuchar  
United States Senator