

Congress of the United States
Washington, DC 20515

December 18, 2009

The Honorable Karen Mills
Administrator, Small Business Administration
409 3rd Street, SW
Washington, DC 20416

Dear Administrator Mills:

As the Obama Administration continues to develop initiatives to increase credit liquidity in the business lending market, we write to applaud the Small Business Administration's (SBA) recent decision to increase the size standards on businesses eligible to apply for lending assistance through SBA's important programs. This recent proposal will substantially expand the pool of small companies that are eligible for the SBA 7(a) loan program and the Administration's new pilot program, the Dealer Floorplan (DFP) Financing Program. We urge you to move quickly to finalize this proposal.

As Members of Congress with businesses in our districts that rely on access to capital for wholesale financing, including the marine, motor vehicle, recreation vehicle, trailer, manufactured housing and other industries, we wish to underscore the importance of an effective program within the SBA to improve the lending environment for wholesale, or inventory, financing.

The crisis in credit liquidity in commercial lending is severely deteriorating the distribution chain in many industries. As a result of an escalating contraction of conventional commercial lending, particularly in floorplan financing, hundreds of thousands of jobs in local communities in our Districts have been lost—these are middle class, well-paying jobs that have evaporated as a direct result of banks and financial institutions exiting the floorplan lending market. When a retailer cannot access capital to purchase new inventory from manufacturers, those manufacturers are forced to stop production, causing further painful labor reductions. For manufacturers and their dealers, any economic recovery will be paced by the availability of floorplan financing.

Consequently, we stand ready to assist the SBA in making improvements to the Dealer Floorplan Program to encourage more participation by banks and lenders. SBA has already begun the process of revising the terms of the initial program to encourage more participation, which to date has been insufficient. We believe additional changes can be made within SBA's authority to make this important program more successful. We are confident that you and your staff are closely examining these recommendations.

Thank you for your continued efforts to improve the lending environment for small businesses throughout the United States, who are so important to our economy. As you well know, the economic recovery will not be complete without a robust small business sector.

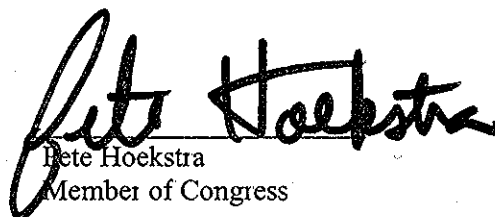
Sincerely,



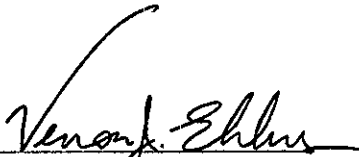
Chellie Pingree
Member of Congress

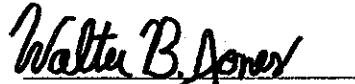



Tom Petri
Member of Congress

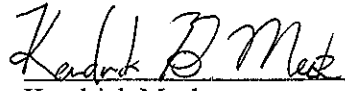


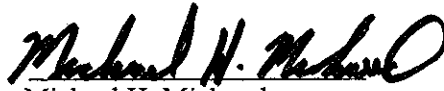
Pete Hoekstra
Member of Congress


Vernon J. Ehlers
Member of Congress



Walter B. Jones
Member of Congress

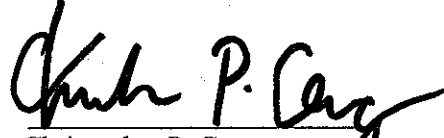

Mark Souder
Member of Congress


Kendrick Meek
Member of Congress

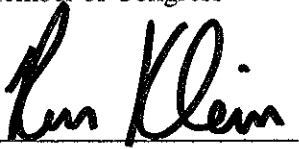

Michael H. Michaud
Member of Congress

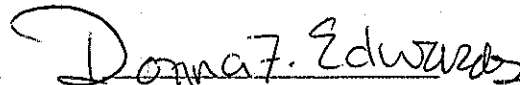

Candice Miller
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Donna F. Edwards
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