NATIONAL ASSOCIATION
OF GOVERNMENT GUARANTEED LENDERS

May 26, 2010

The Honorable Sander Levin
Chairman, Committee on Ways and Means
U.S. House of Representatives
Washington, D.C. 20515

Dear Mr. Chairman:

The National Association of Government Guaranteed Lenders (NAGGL) representing institutions providing capital to small business through the Small Business Administration's 7(a) loan guarantee program urges swift House adoption of H.R. 4213, the *American Workers, State, and Business Relief Act of 2010*. NAGGL specifically supports the provisions in the bill relating to the extension of 7(a) program fee relief for small business borrowers and the extension of the program's temporary increased guarantee percentage through the remainder of this calendar year.

Many lenders remain capital constrained. Credit underwriting standards have significantly tightened, and those standards will likely remain so for the foreseeable future. At the same time, the balance sheets of many small businesses have been weakened by the economic recession. Responding to these conditions, lending (as measured in dollar terms) through the SBA's 7(a) loan guarantee program is up 98 percent this fiscal year over last year, and the number of 7(a) loans made to small businesses has increased nearly 60 percent over the same period last fiscal year.

SBA 7(a) lending has proven to be a credit lifeline for tens of thousands of small businesses. The increase in program lending activity is measureable and is significantly related to the relief provided to small businesses through the *American Recovery and Reinvestment Act of 2009*. H.R. 4213 extends those provisions through this calendar year. We, again, urge its speedy adoption. Thank you.

Respectfully,

Anthony R. Wilkinson
President & CEO