

United States Senate

WASHINGTON, DC 20510

June 2, 2010

The Honorable Harry Reid, Majority Leader
S-221 The Capitol
United States Senate
Washington, DC 20510

Dear Leader Reid:

Thank you for your leadership in the Senate, particularly in these difficult times as we work to get our economy back on track. The legislation the Congress has approved over the past months to create jobs and stimulate the economy is having a significant impact, as encouraging signs of economic recovery are evident throughout our economy. Unemployment in my state of Washington has started to decline as employers put people back to work, but our recovery is fragile and small businesses are still struggling.

Among the most difficult challenges facing small businesses in Washington and throughout the nation is access to credit. For that reason, I urge you to make it the Senate's top priority when we return from the Memorial Day recess to take up President Obama's initiative to get capital flowing to small businesses. While there are many pressing issues competing for the Senate's attention, none are more critical than legislation that can help put Americans back to work. The President's aim, and ours, is to ensure that creditworthy small businesses have access to the capital they need to grow and create jobs in our communities. Following the recess, the next item on our agenda should be a small business lending and jobs bill.

Since the financial crisis began, one of the key pillars supporting small business – lending capital – has been in critically short supply. Even thriving businesses eager to expand their payrolls and open new lines of business are finding it difficult to get loans. Commercial and industrial lending by commercial banks and savings and loans has declined by \$315 billion nationwide since the crisis began. We must act with urgency to reverse this trend.

A number of proposals have come forward to get capital flowing to small business borrowers. Last month, the House Financial Services Committee reported legislation – based on President Obama's proposal – to create a \$30 billion small business lending fund. Leveraging these public funds in a program aimed at community banks could generate as much as \$300 billion in private-sector capital for small business loans. The Congressional Budget Office has reported that the \$30 billion program would cost about \$3.3 billion total over the next five years – that comes out to \$300 billion in lending at one one-hundredth of the cost. I am eager to work with you and my colleagues to move small business lending legislation through the Senate and to the President's desk without delay.

This legislation should also include a number of other proposals to support small businesses– including bipartisan bills reported by the Small Business Committee to make improvements to key Small Business Administration credit and lending programs, support for small business exports, and improving contracting for small businesses. In addition, we can and should provide additional temporary tax incentives for small business access to capital and investments in growing small businesses.

Thank you again for your leadership, and for your willingness to make small business access to capital a priority. I truly believe expanding access to credit is the most effective thing we can do to promote our ongoing economic recovery, and I look forward to working with you to pass legislation during the next work period.

Sincerely,



Handwritten signature of Maria Cantwell in blue ink, written in a cursive style.

Maria Cantwell



Handwritten signature of Patty Murray in blue ink, written in a cursive style.

Patty Murray