



February 11, 2025

The Honorable Roger Williams
Chair
Committee on Small Business
U.S. House of Representatives
Washington, DC 20515

The Honorable Nydia Velázquez
Ranking Member
Committee on Small Business
U.S. House of Representatives
Washington, DC 20515

Dear Chairman Williams and Ranking Member Velázquez:

Since 1958, the Small Business Investor Alliance (SBIA) has been the voice of America's small business investors including Small Business Investment Companies (SBICs). We thank the Committee for holding today's hearing entitled "Driving Economic Growth: SBA Lending Programs and the Vital Role of Community Banks" and write to express support for this committee's strong commitment to capital access for small businesses.

Access to capital remains a critical challenge for small, particularly in rural and underserved areas outside major financial centers. Community and regional banks play an essential role in providing traditional financing to these places. Community banks are critical partners to SBIC funds.

Community banks and SBICs have a healthy and symbiotic relationship. When SBICs invest in small businesses these small businesses then become more "bankable" for community banks to provide conventional bank services, benefiting both the small business and the community bank. Further, community banks are permitted to own their own internal SBIC fund or, more commonly, to invest as a limited partner into external SBIC funds.

The benefit of SBIC investment is clear with small businesses regularly adding 100 or more new, permanent employees after receiving SBIC capital infusions, positively impacting communities.

We specifically want to express support for H.R. 754, the Investing in Main Street Act, introduced by Representatives Judy Chu, Brad Finstad, LaMonica McIver, and Andrew Garbarino. This bipartisan legislation would help align banking law with small business investment law, enhancing the positive impact community banks and SBICs have across the country.

The SBIC program has demonstrated particular success in supporting critical American industries like manufacturing and in channeling investment to areas outside traditional venture capital hubs. With continued bipartisan support from Congress, including passage of H.R. 754,

SBICs can further expand their vital role in fueling economic growth and job creation nationwide.

We urge this committee to continue supporting legislation that strengthens the SBIC program and its partnership with community banks. Together, they provide an essential source of capital and expertise for America's small businesses.

Sincerely,



Brett Palmer
President
Small Business Investor Alliance