

Congress of the United States  
U.S. House of Representatives  
Committee on Small Business  
2361 Rayburn House Office Building  
Washington, DC 20515-6515

March 10, 2025

Director Russell Vought  
Office of Management and Budget  
1650 17<sup>th</sup> Street, NW  
Washington DC 20006

Administrator Kelly Loeffler  
Small Business Administration  
409 3<sup>rd</sup> Street, SW  
Washington, DC 20416

Dear Director Vought and Administrator Loeffler:

We write to express our concerns over recent actions to freeze funding on federal grants and loans.

Over the course of the past month, the Trump Administration has issued a number of executive orders and memorandum that has cause widespread confusion and chaos. On January 20, 2025, President Trump signed several executive orders pausing federal funding while the Administration evaluates whether the assistance aligns with its policy goals. On January 27, the Office of Management and Budget (OMB) issued Memo M-25-13, which imposed an unprecedented freeze on nearly every federal program,<sup>1</sup> which was blatantly unconstitutional. The following day, a federal judge temporarily stayed the implementation of the memo in response to a lawsuit filed by Democracy Forward.<sup>2</sup> Then to add to the confusion, the White House rescinded the memo freezing aid on January 29,<sup>3</sup> but the White House press secretary posted on social media that the executive orders on federal funding will “remain in full force.”<sup>4</sup> Temporary restraining orders were issued to block the implementation of the freeze on existing awards on January 31<sup>5</sup> and February 3.<sup>6</sup> On February 10, a District Court judge ruled that the Administration was not in compliance with the orders, and stated that in some cases, agencies “have continued to improperly freeze funds and refused to resume the disbursements of appropriated federal funds.”<sup>7</sup>

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<sup>1</sup> Matthew J. Vaeth, *Temporary Pause of Agency Grant, Loan, and Other Financial Assistance Programs*, WHITE HOUSE OFF. OF MGMT. & BUDGET (Jan. 27, 2025) (on file with the H. COMM. ON SMALL BUS.).

<sup>2</sup> Order of Administrative Stay, ECF No. 13, NAT’L COUNCIL OF NONPROFITS v. OFF. OF MGMT. & BUDGET, No. 1:25-cv-00239-LLA (D.D.C. Jan. 28, 2025).

<sup>3</sup> Matthew J. Vaeth, *Rescission of M-25-13*, WHITE HOUSE OFF. OF MGMT. & BUDGET (Jan. 29, 2025), <https://www.cfo.gov/assets/files/M-25-14%20Final.pdf>.

<sup>4</sup> Karoline Leavitt (@PressSec), Twitter (Jan. 29, 2025, 1:40 PM), <https://x.com/PressSec/status/1884672871944901034>.

<sup>5</sup> TRO, ECF No. 50, N.Y. v. Trump, No. 1:25-cv-00039-JJM-PAS (D.R.I. Jan. 31, 2025).

<sup>6</sup> Mem. Op. & Order, ECF No. 30, NAT’L COUNCIL OF NONPROFITS v. OFF. OF MGMT. & BUDGET, No. 1:25-cv-00239-LLA (D.D.C. Feb. 3, 2025).

<sup>7</sup> Order on Mot. To Enforce TRO, ECF No. 96, N.Y. v. Trump, No. 1:25-cv-00039-JJM-PAS (D.R.I. Feb. 10, 2025).

First and foremost, these executive actions have wide-ranging implications for America's 34.8 million small businesses. The Small Business Administration (SBA) helps entrepreneurs launch and grow their small businesses through a number of proven and time-tested programs that provide access to capital, counseling and entrepreneurial training, and disaster assistance. In Fiscal Year 2024, SBA supported at least \$37.7 billion in 7(a) loans, 504 loans, and microloans; counseled and trained more than 644,000 small business owners; and provided billions of dollars in loans for disaster survivors.<sup>8</sup>

The memorandum and executive orders have sown a tremendous amount of undue confusion amongst SBA's network of lenders and resource partners. Small businesses rely heavily on SBA's lending, counseling, and contracting programs to launch and build their businesses, and any lapse in funding, even for a short period of time, can impact their viability, cashflow, and services. Moreover, the SBA's disaster assistance program is a major source of disaster aid for survivors as it provides low-interest loans to small businesses and households that need to repair their homes and businesses. SBA disaster aid has already been delayed to the victims of the recent hurricanes, flooding, and wildfires, and any further delays will imperil the ability of small businesses in North Carolina, Florida, California, and Texas to reopen their doors.

It is unclear how SBA is implementing these executive orders, or how OMB plans to review these programs that are a lifeline to millions of small businesses. As the Ranking Member of the Small Business Committee and the Committee's Ranking Member of the Subcommittee on Oversight, Investigations, and Regulations, with oversight responsibility of the SBA, we are writing to request a comprehensive and detailed list of any SBA programs, services, grants, contracts, projects, loan guarantees, disaster loans, and other funding that have been paused, curtailed, or terminated due to these actions.

To that end, we request the information and answers to the following questions as soon as possible but no later than March 24, 2025.

- 1) Please provide a comprehensive list of all SBA programs, services, grants, contracts, projects, loan guarantees, disaster loans, contracts, and other funding that have been implicated by the executive orders and detail the date on which the funding has been paused, curtailed, or terminated, and the specific amount of funding.
- 2) Provide a detailed explanation of the criteria used to review the programs, services, grants, contracts, contracts, projects, loan guarantees, disaster loans, and other funding that have been paused, curtailed or terminated.
- 3) Provide an explanation of the statutory authority for any pauses, curtailment, or termination of funding.
- 4) SBA's resource partners and other grant recipients operate on a reimbursable basis, some quarterly and some monthly. How will these executive orders affect their pending reimbursements for services already provided to small businesses?
- 5) For programs in which funding has been paused, is there a "stop work" order for resource partners, grant recipients, or contractors?

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<sup>8</sup> U.S. SMALL BUS. ADMIN., FISCAL YEAR 2024 ANNUAL PERFORMANCE REPORT (Jan. 2025).

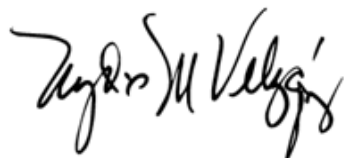
- 6) Will resource partners be reimbursed for providing statutorily mandated services during any pause in funding?
- 7) What guidance do you plan to issue to resource partners, grant recipients, contractors, and anyone else affected by these executive orders? How do you plan to disseminate information and answer recipients' questions, in light of staffing freezes and terminations?
- 8) What are the number and value of any SBA contracts or grants identified as savings on the DOGE website?
- 9) What are number and value of any terminated contracts or grants that were awarded to a small business concern?
- 10) What is the total number of contracts terminated? What authority is cited for each termination, specifically referencing the executive order or the agency memo/directive/letter implementing government-wide initiatives?
- 11) What are the total award value (or ceiling) and the total obligated funds per contract to date, as well as the remaining period of performance?
- 12) What is the dollar value of invoices from any terminated contracts that have been submitted to SBA for work performed by the contractor that have not yet been paid by SBA?

Pursuant to Rule X of the House of Representatives, the Committee on Small Business has broad authority to investigate "problems of all types of small business." The Committee possesses jurisdiction over "assistance to and protection of small businesses."

With that said, Congress appropriated funds to SBA for programs to help entrepreneurs launch and grow their small businesses. These deleterious actions undercut those services for millions of small businesses owners across the country, and we urge you to reverse course immediately.

Thank you for your attention to this matter. If you have any questions, please contact the Committee's minority staff at 202-225-4038.

Sincerely,



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Nydia M. Velázquez  
Ranking Member  
Committee on Small Business



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Derek T. Tran  
Ranking Member  
Subcommittee on Oversight,  
Investigations, and Regulations