

Congress of the United States
U.S. House of Representatives
Committee on Small Business
2561 Rayburn House Office Building
Washington, DC 20515-6515

August 28, 2025
The Honorable Kelly Loeffler
Administrator
U.S. Small Business Administration
409 3rd Street, SW
Washington, DC 20416

Dear Administrator Loeffler:

I write to express serious concerns over the Small Business Administration's (SBA) use of travel funds, particularly the expenses associated with sending political appointees to the Iowa State Fair and travel to key battleground states. It appears the Trump Administration and your office have diverted funding away from supporting small businesses and used it for political purposes.

The SBA's mission is to support America's small businesses through counseling services, lending programs, contracting opportunities, and disaster relief. Every dollar spent should be used to fulfill that mission directly, not be used to send political appointees to the Iowa State Fair or travel extensively. This action raises serious questions as to whether you are prioritizing political objectives over the agency's statutory responsibilities.

SBA employees traveling and engaging with small business owners is an important part of SBA's mission. However, using taxpayers' dollars for political travel is unacceptable. Social media posts indicate that you have travelled extensively to key states that are expected to play a decisive role in determining control of the House and Senate in the next election, and you have stumped for President Trump, along with Vice President Vance, for the Tax Cuts and Jobs Act, raising serious concerns of potential Hatch Act violations. Even more troubling, you have not attended or sent SBA employees to other fairs in states that are predominantly Democratic. Nor have you invited Democratic Members of Congress to participate in these events, like you have invited Republican Members of Congress. Clearly, this extensive travel would fall under the category of political travel.

The excessive travel heightens concerns given the fact that 2,700 career employees have been terminated, forced into early retirement, or in danger of losing their jobs, and district offices are not being staffed and funded adequately. Limited federal funds should be directed to programs that fulfill SBA's core mission and not be approved for political personnel to travel to Iowa, and other battleground states, for questionable purposes. Not only is it a gross misuse of taxpayers' dollars, but it sends the wrong message to the public.

Perhaps even more egregious, while you are crisscrossing the country stumping for President Trump, the number of 7(a) loans has sharply declined. June had the lowest number of approved 7(a) loans since early 2022 – a 50 percent decline since May. Given the current fiscal constraints on SBA, and the burdens facing small businesses from the crippling tariffs and the increased costs of goods, it is essential that the SBA focuses on its core mission and operate with the highest level of transparency.

To that end, I am particularly frustrated by the lack of accountability under your leadership of the agency. The SBA has consistently failed to provide responses to Committee requests, particularly the numerous oversight letters I sent to your office, which have gone unanswered. This reflects a concerning pattern of neglect, which in turn undermines public trust. I have an obligation to the American taxpayer to conduct diligent oversight.

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.” These documents are necessary for the Committee’s oversight of the SBA, and I request a detailed and thorough response to the following inquiries as soon as possible, but no later than September 25, 2025:

1. A detailed list of all political appointees who travelled to the Iowa State Fair, including name, position, salary, dates of travel, and individual purpose.
2. A detailed breakdown of the total costs associated with the travel to Iowa, including but not limited to lodging, air fare, ground transportation, meals and incidentals, security and logistical support, and per diem allowances.
3. Which account were these expenses drawn?
 - a. If funds were drawn from the salaries and expense account, provide the justification for allocating funds to political travel while simultaneously reducing staffing and resources to district offices.
4. What was the stated purpose of the travel to Iowa, and who authorized it?
 - a. Provide documentation of the criteria used to approve travel.
5. Why was Iowa chosen over other states with pressing small business concerns? What other fairs have you and SBA political employees travelled to since January?
6. Provide all calendars, itineraries, and agendas associated with this trip.
7. Provide your calendar, itineraries, agendas, and costs for all trips that you have made since being confirmed.
8. All documents associated with political activities under the Hatch Act, including any reimbursements.

To reiterate, the SBA’s job is to help our nation’s small businesses. Sadly, it appears the Trump Administration is abusing the trust of the American taxpayer, betraying the mission of the SBA, and weaponizing the powers and resources of the federal government for election purposes. To schedule delivery of responsive documents or discuss the scope please contact the Committee on Small Business Minority staff at 202-225-4038. Thank you for your attention to this matter.

Sincerely,

A handwritten signature in black ink, appearing to read "Nydia M. Velázquez". The signature is fluid and cursive, with the first name "Nydia" and last name "Velázquez" clearly distinguishable.

Nydia M. Velázquez
Ranking Member
House Small Business Committee