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**National Association of Federally-Insured Credit Unions**

November 19, 2021

The Honorable Blaine Luetkemeyer  
2230 Rayburn House Office Building  
U.S. House of Representatives  
Washington, DC 20515

**Re: H.R. 6037, Legislation Prohibiting Direct Lending Under the Small Business Administration's 7(a) Program**

Dear Representative Luetkemeyer:

I am writing on behalf of the National Association of Federally-Insured Credit Unions (NAFCU) to express our support for H.R. 6037, your legislation to prohibit the Small Business Administration (SBA) from making direct loans through the 7(a) program. NAFCU advocates for all federally-insured not-for-profit credit unions that, in turn, serve over 127 million consumers with personal and small business financial service products.

NAFCU remains deeply concerned by a provision in H.R. 5376, the *Build Back Better Act*, which recently passed the House of Representatives. Specifically, Section 100502, "Funding for Credit Enhancement and Small Dollar Loan Funding," which creates a new small dollar lending program that would allow the SBA Administrator to originate and disburse loans to small businesses. We share your concern that the government does not belong in the business of making loans, and historically has been unsuccessful at lending. We agree that the 7(a) program is important for small businesses and we thank you for your leadership in introducing this timely legislation to protect the integrity of the program. NAFCU recognizes the need for more small business loans, however, we believe that there are better ways to work with existing lenders to address the stated need of access to smaller loans to small businesses and we stand ready to work with you to achieve that goal.

We thank you for introducing this important legislation to prohibit the SBA from embarking on a direct lending program. Should you have any questions or require any additional information, please contact me or Lewis Plush, NAFCU's Associate Director of Legislative Affairs, at 703-842-2261.

Sincerely,

Brad Thaler  
Vice President of Legislative Affairs

cc: Members of the House Committee on Small Business