

February 26th, 2021

Chairwoman Debbie Stabenow
U.S. Senate Committee
on Agriculture, Nutrition & Forestry
Washington, DC 20510

Ranking Member John Boozman
U.S. Senate Committee
on Agriculture, Nutrition & Forestry
Washington, DC 20510

Re: COVID Relief Package Should Include USDA Business & Industry (B&I) Funding

Dear Chairman Stabenow and Ranking Member Boozman:

We appreciate Congress's efforts to draft legislation to deal further with the COVID pandemic and its impact on our nation's citizens. On behalf of the American Bankers Association, Independent Community Bankers of America, National Rural Lenders Association, and National Rural Lenders Roundtable, representing over 50,000 locations, we write to urge you to ensure adequate funding for key USDA rural development programs in the next COVID bill (American Rescue Plan of 2021).

Specifically, we urge adequate funding to support the USDA's Business and Industry (B&I) guaranteed loan program through fiscal year 2021. This important program is expected to exhaust current funding in the next few months and faces a projected \$1 billion shortfall in loan authority this fiscal year. This program is vital to sustaining rural businesses and job creation. The pandemic has strained rural businesses and spiked demand for B&I loans as businesses seek credit to remain viable while working through pandemic related challenges. However, current legislative text for the COVID package does not address this shortfall. Since this is a guaranteed loan program, a small allocation of approximately only \$10 million can resolve the projected \$1 billion shortfall in loan authority.

Additionally, the B&I CARES Act (BICA) loan program would also provide \$1 billion in new loans if the \$20 million provided in the CARES Act were replenished. These programs represent a very efficient way for the government to leverage a small amount of dollars into a huge amount of rural small business lending and job creation. This program should be renewed at its previous level. It would also be very helpful if those with USDA Rural Development guaranteed loans could receive the same CARES Act relief of up to six months of payments as made available to those with existing SBA loans.

The pace of the current fiscal year's USDA B&I lending is a testament to the success of lenders delivering badly needed capital to rural small businesses. Thank you for your attention to these important programs. If we can provide further information, please let us know.

Sincerely,

American Bankers Association
National Rural Lenders Association

Independent Community Bankers of America
National Rural Lenders Roundtable

cc: U.S. Senate