



EXECUTIVE OFFICE OF THE PRESIDENT  
OFFICE OF MANAGEMENT AND BUDGET  
WASHINGTON, D.C. 20503

April 24, 2007  
(House Rules)

## STATEMENT OF ADMINISTRATION POLICY

### H.R. 1332 – Small Business Lending Improvements Act of 2007

(Rep. Bean (D) Illinois and 7 cosponsors)

The Administration has achieved significant results in expanding the availability of credit to small businesses. Between fiscal years 2001 and 2006, the Small Business Administration (SBA) has more than doubled the total number of guaranteed loans to small businesses under the Section 7(a) and Section 504 loan programs. SBA has achieved this growth while reducing program costs and taxpayer-provided subsidies. H.R. 1332 could potentially reverse this success by reintroducing or increasing taxpayer-funded subsidies for small business loan programs. The Administration therefore cannot support House passage of H.R. 1332 unless it is amended to delete provisions that would increase these subsidies and the need for appropriations and/or increased fees on other loan applicants.

The Administration also opposes provisions in the bill that would: (1) duplicate rural lending activities currently performed by the Department of Agriculture; (2) have SBA refinance private debt, as Federally-backed credit should not supplant private loans; and (3) raise constitutional questions by establishing race or gender-based preferences without presenting a strong basis in evidence that these preferences meet constitutional standards. The Administration urges Congress to strike these provisions.

\* \* \* \* \*