

March 18, 2020

The Honorable Marco Rubio – Chairman
The Honorable Ben Cardin – Ranking Member
Committee on Small Business & Entrepreneurship
United States Senate
428A Russell Senate Office Building
Washington, D.C. 20510

cc: Members of the Senate Committee on Small Business & Entrepreneurship

Dear Senators Rubio and Cardin:

The undersigned organizations write in strong support of your draft bill to significantly and immediately enhance the Small Business Administration's 7(a) loan program.

The Coronavirus is a health emergency that threatens to precipitate an economic crisis. Specifically, lock-downs and cancellations caused by the Coronavirus are driving a sudden and sharp drop in revenues for businesses across America. While some businesses may have the working capital to manage through this downturn, many will soon find themselves with an acute cash shortfall. This will result in layoffs, and even business failure, the effects of which will cascade through the American economy.

The best way to mitigate this crisis is to quickly get businesses in need working capital to replace lost revenues. This cash “bridge” will allow businesses to meet payroll, cover operating expenses, and stay open until demand rebounds.

Your proposal to leverage and enhance the existing SBA 7(a) program will accomplish this goal. By utilizing the pre-existing commercial banking system in America to make direct loans, while increasing the capacity of the program to authorize and guarantee these loans, your proposal will get needed working capital to our businesses before it is too late.

Other proposals, which rely on direct loans from the SBA and other sources, may provide longer-term capital – but will be too slow to meet this urgent need. **We know, because we are the businesses, economic development organizations, and civic groups of New Orleans and Louisiana.** We have been through the crucible of Hurricane Katrina and much more, and we know what works. Your program will.

For the good of Americans workers, businesses and the economy, the undersigned support your bill to enhance the SBA 7(a) program to serve businesses impacted by the Coronavirus. Given that this disaster will require long-term commitment. we recommend that the program be authorized for at least one year. We are available at your convenience to provide more information and testimony.

Sincerely,

Michael Hecht
President & CEO
Greater New Orleans, Inc.

Guy Williams
President
Gulf Coast Bank & Trust
Chairman, GNO, Inc.

Maura Donahue
Partner, DonahueFavret Contractors
Board Chair - U S Chamber of Commerce
Past Chairman, GNO, Inc.

Derrick Martin Executive Director Algiers Economic Development Foundation	Hispanic Chamber of Commerce of LA Timothy Coulon Executive Director Jefferson Business Council	Stephen Perry President & CEO New Orleans & Company Quentin Messer President & CEO New Orleans Business Alliance
Adam Knapp President & CEO Baton Rouge Area Chamber	Vincent Palumbo Chairman Jefferson Business Council	Ben Johnson President & CEO New Orleans Chamber of Commerce
Coleman Ridley Managing Director Business Council of N.O. & River Region	Jerry Bologna President & CEO Jefferson Economic Development Commission	Kelisha Garrett Executive Director New Orleans Regional Black Chamber of Commerce
Nina Compton Larry Miller Compere Iapin / Bywater American Bistro	Todd Murphy President Jefferson Chamber of Commerce	Vaugh Fauria Executive Director/President NewCorp, Inc.
Gay LeBreton Managing Director Chaffe & Associates	Joel Dondis Owner Joel Catering Events, LLC Grand Isle Restaurant, LLC	Bonnie Eades Executive Director Northshore Business Council
Michael Olivier CEO Committee of 100	Stephen Waguespack President & CEO LA Association of Business & Industry	Troy Wayman President & CEO One Acadiana
Arlanda Williams Vice Chancellor of Workforce Development Delgado Community College	Bridgette O'Connor LA Industrial Development Executives Association	Bobby Thomas Executive Director Plaquemines Association of Business & Industry
Kurt Weigle President & CEO Downtown Development District	Anne Driscoll Chris Schultz Founders Launch Pad	Timothy Schotsch General Manager Pinnacle Waste, Inc./Riverside Recycling & Disposal LLC
Carling Dinkler Vice President Enhanced Capital	Andre Kelly Area Manager, New Orleans District Louisiana Associated General Contractors	Philip J. Gunn Managing Director, New Orleans Postlethwaite & Netterville
Alonzo Antonio Executive Director Fund 17	Tana Trichel President & CEO Louisiana Delta Community College/Northeast LA Economic Alliance	Lee Giorgio Regional Business Councils of GNO
Guy Williams President Gulf Coast Bank & Trust Company	Joseph Exnicios President Hancock Whitney Bank	Gerard Ramos CEO Revelry
Mayra Pineda President & CEO	Kyle France Chairman Louisiana Stadium and Exposition District	Buddy Boe Executive Director River Parishes Tourist Commission

Vic LaFont President & CEO South Louisiana Economic Council	St. Tammany Chamber of Commerce	The Chamber Southwest Louisiana
Elizabeth Dauterive CEO St. Bernard Chamber of Commerce	Donna O'Daniels President & CEO St. Tammany Parish Tourist Convention Commission	Jon Atkinson CEO The Idea Village
Mindy Nunez Airhart Chairwoman St. Bernard Chamber of Commerce	Chris Masingill CEO St. Tammany Corporation	Steven Nosacka Mayor Town of Gramercy, LA
Joseph S. DiFatta, Jr. At-Large/Past Chair St. Bernard Economic Development Foundation	Maryann Miller Program Manager StayLocal	Michael Williamson President & CEO United Way of Southeast LA
Lacey Osborne President & CEO	Marty Mayer President & CEO Stirling Properties	Judy Reese Morse President & CEO Urban League of Louisiana
	George Swift President & CEO	Ryan Seal Executive Director Washington Economic Development Foundation

Objectives of Rubio Policy:

1. *What we are discussing are FORGIVEABLE Loans. Whatever they take out from this assistance program to use for payroll and business and rent/lease/mortgage will NOT have to be repaid. Limit on what they get will be some multiple of their payroll/expenses before the crisis hit.*
2. *This is NOT some traditional SBA direct loan or program. We are using many of the guidelines and infrastructure of the 7(a) program but they will NOT be calling a government agency for this help. It will be handled by a bank, credit union or other lender in their community.*
3. *Existing 7(a) lenders ready to go right away. But everyone agrees that the list lenders involved needs to be expanded rapidly & we create a process to do that. The ideal outcome is for small businesses to be able to do all this with their own bank if they want.*
4. *The criteria for what qualifies as a small business is still being worked out. BUT, lots of agreement that it needs to be more inclusive than current definition. The goal is to reach the largest % of Americans workers as possible. And I feel confident we can achieve this.*
5. *This will NOT exclude any industry. It WILL apply to S Corp, C Corp, non-profits, partnerships, sole practitioners, etc. who meet the expanded criteria for small business. Again, the goal is to be inclusive not exclusive.*
6. *... Goal is straightforward: Get cash to small business as fast and easy as possible so they don't have to lay people off, and if they use it for that purpose doesn't have to be paid back*