March 23, 2020

The Honorable Nydia Velazquez                  The Honorable Steve Chabot
Chairwoman                                          Ranking Member
Committee on Small Business                        Committee on Small Business
U.S. House of Representatives                      U.S. House of Representatives
Washington, DC 20515                                Washington, DC 20515

Dear Chairwoman Velazquez and Ranking Chabot:

We write on behalf of the National Association of Development Companies (NADCO) and our 202 Certified Development Companies (CDC) to reiterate our call for immediate congressional action to support CDC who have been on the frontline supporting and sustain businesses since this pandemic first broke.

As leaders of the House Small Business Committee we ask that you work to make sure that critical 504 program changes are included in the COVID-19 financial relief package that the House will vote on this week. The CDC industry and the businesses we serve cannot afford to wait any longer.

As mission driven, community based lenders CDCs are uniquely positioned to supporting and sustaining businesses in this crisis. In fact, when business owners face a financial setback, the first call many will make is to their CDC lender. But to be effective we need the right tools in the form of a more flexible and responsive SBA 504 program. At minimum, we need Congress to implement the following immediately:

- Expanded authority to refinance debt with the 504 Loan Program;
- Enact the Small Business Debt Relief Act (as included in HR 6312);
- Eliminate 504 Loan Program fees and ensure reimbursement of waived fees; and
- Authorize an expedited 504 for business loans of $500,000 or less.

Even before the coronavirus pandemic emerged, the SBA 504 program was recognized as the federal government’s most effective tool for promoting strong, health and vital communities.
CDC’s currently service over 119,000 small businesses with over $26 billion in outstanding 504 loans (not including the senior portion of the project financing). CDC’s are actively engaged to help these small businesses keep the doors open through deferments and assistance with other financing.

Sincerely,

Fred Abousleman
President & CEO

Catherine Riddle
NADCO Board Chair

cc: The Honorable Marc Rubio
    The Honorable Ben Cardin