

United States Senate

WASHINGTON, DC 20510

January 18, 2005

The Honorable Hector Barreto
Administrator
U.S. Small Business Administration
409 3rd Street, SW
Washington, DC 20416

Dear Administrator Barreto:

It is with great urgency that we request your immediate attention to an important issue facing the nation's microenterprise community. We have recently learned that the Small Business Administration (SBA) plans on discontinuing the Non-Lending Technical Assistance Provider (NTAP) component of the SBA Microloan Program in FY 2005. On behalf of our interested constituents in Vermont, and small business owners across America, we urge you to reverse this decision and issue a competitive FY 2005 Request for Proposals (RFP) for the NTAP program. We understand that time is of the essence, as SBA is in the process of making decisions regarding the allocation of FY 2005 Microloan Technical Assistance funds.

While we understand the difficulties resulting from overall funding constraints on the Microloan Program, we strongly believe that SBA must do all it can to avoid the loss of vital NTAP services in communities of need throughout the country. Since the component's inception in 1994, NTAPs have proven to be extremely successful in connecting low- and moderate-income entrepreneurs with private-sector business financing – helping them overcome their individual, often significant, financial barriers. During FY 2003 alone, over 500 loans totaling \$3.5 million were disbursed by 14 NTAPs around the country.

Moreover, eliminating the NTAP component is not in line with the intent of the original Microloan legislation, which explicitly lists NTAP activities as a primary purpose of the overall Microloan Program. Dismantling the NTAP component will only serve to weaken the Microloan program and diminish the positive impact it has on our nation's low- and moderate-income small business owners.

Once again, we ask that you immediately reverse this decision to discontinue the NTAP component. Please feel free to contact our offices regarding this matter.

Sincerely,



PATRICK LEAHY
United States Senator



JAMES JEFFORDS
United States Senator

CC: Ronald Bew, Associate Deputy Administrator, Office of Capital Access, SBA
Brian Worth, Assistant Administrator for Congress and Legislative Affairs, SBA