

United States Senate

COMMITTEE ON SMALL BUSINESS & ENTREPRENEURSHIP
WASHINGTON, DC 20510-6350

March 30, 2009

The Honorable Timothy F. Geithner
United States Secretary of the Treasury
Department of the Treasury
1500 Pennsylvania Avenue, NW
Washington, D.C. 20220

Dear Secretary Geithner:

Earlier this month, the Senate Committee on Small Business and Entrepreneurship held a hearing titled, "Perspectives from Main Street on Small Business Lending." During the hearing, we heard from small business owners who, struggling to make their monthly payments, have had their lines of credit cut and their loans called by banks. For small businesses to survive these exceptionally adverse economic times, they need access to credit.

To help these small business borrowers, we request that the Administration examine the viability and utility of using Troubled Assets Relief Program funds to guarantee existing lines of credit for qualified small businesses. In exchange for the government guarantee, banks would then be required to temporarily modify the terms of the credit line to help the distressed, but otherwise viable, small business borrower. This common-sense solution, which will not require Congressional approval, benefits all parties. It will provide banks an assurance that their loan will be paid, but, most critically, it will enable small businesses to obtain the capital they need to keep their doors open and employees on the job.

Making capital available for small businesses is critical to the strength of our overall economy. We respectfully ask that you carefully examine these proposals or any others your agency would support in order to bolster small businesses' access to credit, and we look forward to our future collaboration.

Sincerely,


MARY L. LANDRIEU
Chair


OLYMPIA J. SNOWE
Ranking Member