

# Congress of the United States

Washington, DC 20515

April 24th, 2009

The Honorable Karen G. Mills  
Administrator  
U.S. Small Business Administration  
409 3rd Street, S.W.  
Washington, D.C. 20416

Dear Administrator Mills:

We write to you regarding the devastating effects that the economic downturn has had on the recreational vehicle (RV) industry, which has a major presence in our districts. This industry has been forced to close several plants across the country and has experienced record job losses over the last 18 months.

The downturn has not only impacted manufacturers, but has taken a toll on parts suppliers and particularly dealers. Like the automobile industry, RV dealers rely on floorplan loans to purchase inventory for consumer sales. Unfortunately, due to tightening in our credit markets, RV dealers have been struggling to obtain floorplan financing and several major lenders have exited the floorplan lending market. We believe that it is crucial that RV dealers have access to floorplan loans to conduct business, keep workers employed and satisfy consumer demand.

We believe that the Small Business Administration (SBA) loan guaranty program can play a critical role in helping to sustain this industry that is vital to our communities. The SBA section 7(a) loan guaranty program provides access to credit for many small businesses; however, it does not allow for floorplan financing. We respectfully request that you use existing SBA statutory authority to issue an emergency rulemaking to permit the financing of RV floorplan loans for business inventory as an eligible activity in the 7(a) loan guaranty program. This will help increase access to credit for small business dealers across the country.

Furthermore, the SBA size standard for these loans excludes many dealers because SBA considers an RV dealer to be a small business if the company has less than \$7 million in average annual receipts. However, the size limit for small car dealers is \$29 million. This inequity results in less than one quarter of the RV sales volume and over half of all RV dealers being excluded from SBA 7 (a) loan eligibility. Therefore, we also urge you to consider expanding the SBA size standard that currently excludes a large number of RV dealers to help these small businesses as they continue to cope with the ongoing credit freeze in our financial markets.

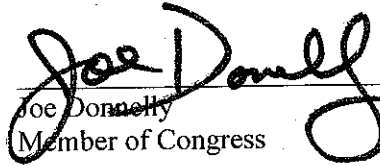
We support your continued efforts to assist America's small business owners in growing our economy. We also believe focused, sensible flexibility during these turbulent times can quicken recovery, foster business growth and keep people employed in well-paying jobs.

Thank you for your attention to this matter. We look forward to your response.

Sincerely,



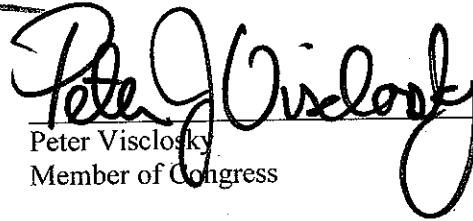
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