

**JOINT ASSOCIATION LETTER TO ALL MEMBERS OF THE U.S. CONGRESS:
ECONOMIC STIMULUS PROTECT AMERICA'S WOMEN & VETERAN OWNED
SMALL & MINORITY BUSINESSES**

We represent millions of small and minority businesses in America who employ millions of working family members. We are Native American, African American, Asian American, Hispanic American, and American small business owners who along with Women and Veteran owned businesses, create the most jobs and are responsible for the most growth in the U.S. economy. We are known as providing creative business solutions and are the prime innovators of new technologies. America's 27 million small businesses are the backbone of our economy and produce half of the gross domestic product, employ half of the private-sector workforce, and create 60% to 80% of all net new jobs. If President-elect Obama's economic stimulus plan is to succeed and create 3 to 4 million new jobs, it must include a sharp focus on job creation and expanding access to capital for small businesses. Existing small business programs that could stimulate the economy should also be mobilized.

We urge bipartisan action on an economic stimulus that includes America's small and minority businesses. We ask that you add provisions in legislation which insures and guarantees that small and minority businesses are part of the financial work-out plan in the Emergency Economic Stabilization Act, and to urge your colleagues in both the House and Senate to recognize America's small and minority businesses contributions as part of the solution to bring economic stability to credit markets so lenders will provide loans to America's businesses.

Virtually every American business has witnessed the decline and evaporation of their credit lines which negatively impact their ability to stay in business. Businesses of all sizes, but particularly small and minority businesses are laying off hundreds of thousands of American workers and we run the risk of further employment declines and historic bankruptcies. If Congress fails to act and credit markets tighten further, our associations' members will find it more difficult -- if not impossible -- to secure credit to run their companies, and our members' employees and families will find it harder to stay in their homes, get mortgages, secure auto loans, maintain healthcare, and borrow money to send their children to college.

Americans rely on credit and liquid markets to make our economy function, and we will continue to see our economy and the well-being of all Americans impacted unless Congress acts. Small and minority businesses need to be part of the Economic Stabilization Act along with total transparency and strong taxpayer protections to help stabilize the financial system and prevent a further meltdown of our capital markets.

There are certain actions Congress can take to mitigate disaster. We urge Congress to help restore the flow of capital to small and minority businesses and those who are located in HUBZones or distressed rural and urban areas by directing the Treasury, Federal Reserve, banks, lending institutions and the Small Business Administration to take administrative action to loosen lending requirements and expand the government's financial guarantee loan operating programs.

Specifically, with regard to banks lending programs, we encourage you to:

- Increase loan guarantees and limits;
- Increase bonding capacity for small businesses to enhance their ability to compete for infrastructure projects;

- Increase lending authority;
- Lower borrower, lender and oversight fees;
- Loosen up rules on credit worthiness;
- Loosen up equity injection rules and be aware that "home equity loans" often used to get cash for equity injections may be very difficult to secure;
- Relax the rules for refinancing (For many small business owners, credit cards are replacing lines of credit that have dried up. Banks needs to make it easier to refinance credit card debt with better terms.);
- Implement credit card reform requirements and ban practice of increasing interest rates and charging late fees without notice and reduce exorbitant interest rates;
- Allow those with current loans to restructure them to reduce payments.
- Provide incentives to banks and lending institutions such as writing off interest received from TARP funds if loaned to small and minority businesses;
- Provide a capital pool of designated TARP loan funds for use solely for small and minority businesses;
- Provide penalties to banks and lenders who fail to comply with rules and regulations;
- Provide capacity building mechanisms to better position small businesses to implement infrastructure projects; and
- Adopt provisions to develop demonstration projects for small business teaming procurements to better enable small businesses to compete for larger contract awards.

We need to restore confidence in our financial markets and provide accountability. We need to be responsive to the needs of America's businesses without jeopardizing their ability to access capital and markets. Millions of small and minority business owners, their workers, and their families are at grave risk if they are left out of America's economic stimulus and recovery plan.

We stand ready to support you, but need your help now to include small and minority businesses as part of the solution in the Economic Stimulus Plan.

Sincerely,

Minority Business Roundtable Minority
 Business Enterprise Legal
 Defense and Education
 Fund, Inc. The National
 Association of Small Disadvantaged Businesses (NASDB)
 U.S. Association of Veterans in Business
 National Association of Black Automotive Suppliers
 Fairness in Procurement Alliance
 U.S. Hispanic Youth Entrepreneur Education (USHYEE)
 Native American Contractors Association
 American Small Business League
 National Center for American Indian Enterprise Development
 Asian American Business Roundtable
 Airport Minority Advisory Council
 (AMAC) Native American Business Alliance