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# United States Senate

COMMITTEE ON SMALL BUSINESS & ENTREPRENEURSHIP

WASHINGTON, DC 20510-6350

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February 6, 2020

The Honorable Jovita Carranza  
Administrator  
U.S. Small Business Administration  
409 3<sup>rd</sup> Street, SW  
Washington, D.C. 20416

Dear Administrator Carranza:

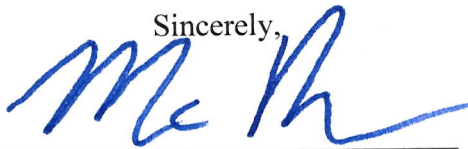
I write to express my concern about recent reports that the U.S. Small Business Administration (SBA) will move forward with finalizing the proposed rule titled, "Express Loan Programs; Affiliation Standards, 83 Fed. Reg. 49,001" (proposed September 28, 2018). As we previously discussed, I am deeply concerned that this rule will have a detrimental impact on America's 30 million small businesses, and their ability to access needed capital. I strongly urge you to honor the commitment made during your nomination hearing and delay promulgation of the final rule until the SBA performs the required small business impact analysis.

As you know, I have expressed my concern about the SBA's promulgation of this rule on multiple occasions. On May 22, 2019, my colleagues and I sent a letter to then-Acting Administrator Pilkerton urging the SBA to delay promulgation of a final regulation until the agency had a Senate confirmed administrator in place to reconsider the rule. Subsequently, I worked to include language in the Fiscal Year 2020 Senate Financial Services and General Government appropriations bill that further encouraged the SBA to refrain from implementing any rulemaking or substantive administrative action to its loan programs until the agency had conducted an economic impact study on the rule.

During your nomination hearing, you agreed that if confirmed, you would commit to reassessing the proposed rule, ensuring the agency conducts a small business impact analysis, and work to engage with stakeholders in a productive way. Now that you have been sworn-in as Administrator, I want to again reiterate my position that the proposed regulation will have a significant impact on a substantial number of small businesses and a final rule should not be issued unless and until the SBA performs all required analyses.

Should you proceed with finalizing the proposed rule, you should anticipate the Committee will pursue all legislative remedies available.

Sincerely,



Marco Rubio  
Chairman