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June 5, 2025

The Honorable Robert Bresnahan
U.S. House of Representatives
Washington, D.C. 20515

Re: Support for the CEASE Act (H.R. 2987)

Dear Representative Bresnahan:

On behalf of community banks across the country, with nearly 50,000 locations, I write to thank you for introducing the Capping Excessive Awarding of SBLC Entrants Act (the CEASE Act, H.R. 2987). H.R. 2987 will protect the integrity of the vital Small Business Administration 7(a) program so that it can continue to reach more borrowers in need and support local economic development.

As the nation's leading small-business lenders rooted in local communities across the country, community banks have a vested interest in the continued strength and integrity of 7(a) lending program. ICBA opposed the SBA's lifting of the moratorium on new small business lending companies (SBLCs) that can lend under the 7(a) program in 2023. Our concern then and now is that the entrance of new non-bank lenders risks higher defaults and incidences of fraud, which will drive up fees and make the program more costly and less accessible to borrowers. When the cap was lifted over our objections, three new SBLCs were licensed in addition to the 14 that were already operating. One of the new SBLCs immediately faltered and returned its license, leaving a total of 16. H.R. 2987 would cap the number of SBLCs at 16, grandfathering all currently operating SBLCs.

Thank you again for acting to protect the 7(a) program. We look forward to working with you to advance this important legislation into law.

Sincerely,

/s/

Rebeca Romero Rainey
President & CEO

CC: Members of the U.S. House of Representatives