

June 5, 2025

The Honorable Mike Johnson  
Speaker of the House  
U.S. House of Representatives  
H-232, The Capitol  
Washington, D.C. 20515

The Honorable Hakeem Jeffries  
House Minority Leader  
U.S. House of Representatives  
H-204, The Capitol  
Washington, D.C. 20515

**Re: Capping Excessive Awarding of SBLC Entrants Act of 2025 (H.R. 2987)**

Dear Speaker Johnson and Minority Leader Jeffries:

On behalf of the American Bankers Association<sup>1</sup> (ABA), I am writing to express our support for H.R. 2987, the Capping Excessive Awarding of SBLC Entrants Act of 2025 (CEASE Act), led by Rep. Rob Bresnahan (R-PA). This important legislation would cap at 16 the number of for-profit small business lending companies (SBLCs) that are eligible to make loans under the Small Business Administration's 7(a) Program. H.R. 2987 would better ensure the Small Business Administration (SBA) can provide robust oversight of the SBLCs that make loans in the Program, thereby promoting safe and sound small business lending and maintaining the financial stability of the Program.

Small businesses are the backbone of the American economy. SBA's flagship 7(a) Program provides access to credit for small businesses that might not otherwise have access to capital, so that they can grow and create jobs. Participation in the 7(a) Program had been capped at 14 non-depositories (SBLCs), which are supervised federally by only the SBA. In 2023, the SBA lifted the moratorium on the number of SBLCs that could participate in the 7(a) Program while simultaneously loosening underwriting standards for these loans. Since then, SBA has granted licenses to an aggregate total of six new SBLCs. Available data indicate that the Program has experienced increased defaults since the 2023 rule changes went into effect, particularly in loans originated by nonbank lenders.<sup>2</sup> Capping at 16 the number of for-profit SBLCs in the 7(a) Program is a critical step towards safeguarding the long-term viability and integrity of the Program.

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<sup>1</sup> The American Bankers Association is the voice of the nation's \$24.5 trillion banking industry, which is composed of small, regional and large banks that together employ approximately 2.1 million people, safeguard \$19.5 trillion in deposits and extend \$12.8 trillion in loans.

<sup>2</sup> See *Hearing from Lenders: Managing Risk for the Long-Term in the 7(a) Loan Program: Hearing Before the Sen. Comm. on Small Bus. & Entrepreneurship* (2025) (testimony of Itzel Sims, Dir., Small Bus. Admin. Lending, First Security Bank), <https://www.aba.com/advocacy/policy-analysis/testimony-of-itzel-sims>.



**Kirsten Sutton**  
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The ABA urges the House to pass the CEASE Act, which will strengthen 7(a) small business lending and enhance the ability of banks to make these critical loans that drive economic growth in our nation's communities.

Sincerely,

A handwritten signature in black ink that reads 'Kirsten Sutton'.

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