

Loeffler Senate Small Business Committee Testimony

Chair Ernst, Ranking Member Markey, Members of the Committee: I'm honored to join you today as we take historic action to rebuild American industry, bring back American jobs, and restore our economic independence.

The *Made in America Manufacturing Finance Act of 2025* will do exactly that. By doubling the 7(a) and 504 loan caps for small manufacturers – representing the first SBA loan limit increase in more than a decade – this bill will supercharge the return of American manufacturing, empowering job creators with needed capital to onshore production and rebuild critical supply chains.

These firms represent 99 percent of all manufacturers in the United States, and they are critical across every industry from aerospace, defense and agriculture to electronics, transportation and chips. They build the parts that power our economy, equip our military, and sustain our industrial strength.

Thanks to President Trump's fair trade, pro-growth economic agenda, demand for American goods is rising and small manufacturers are stepping up to meet it. In just the First 100 Days, the SBA has seen manufacturing loan approvals increase by 74% in our 7(a) program compared to the start of President Biden's term. Our producers are hiring again, investing again, and growing again. But they are ready to do more.

Over the last four months, through the SBA's new Made in America Manufacturing Initiative, our agency has met with more than 300 small manufacturers. Access to capital is one of the most consistent concerns I hear no matter what district, industry, or state I visit.

The *Made in America Manufacturing Finance Act of 2025* is about ending our reliance on adversaries like China. It's about forging a stronger, more resilient economy powered by American workers. And it's about unleashing the full power of the private sector to rebuild American industry from the ground up, in every state across our nation.

I'm grateful to our Senate and House leaders for introducing this critical and timely legislation, and for its bipartisan support. Because delivering opportunity to American workers and industry is a very unifying objective.

With our nation poised for even greater prosperity and opportunity in the months to come, now is the time to meet the moment. Since January, President Trump has cut core inflation to its lowest level since 2021. He has secured over \$10 trillion in private-sector investment. He has delivered half a million new jobs, while deregulating after the last four years of massive bureaucratic expansion. And he has brought dozens of countries – including China – back to the negotiating table for fair trade deals.

Our economy is spring-loaded for growth, especially on Main Street. And I am pleased to report that the SBA has never been more prepared to help small businesses lead the America First economic comeback.

When we arrived, the SBA was bloated and dysfunctional, weighed down by a work-from-home bureaucracy that promoted a partisan political agenda. The Biden Administration presided over unprecedented levels of fraud and four straight years of failed audits. Our flagship 7(a) loan program was mismanaged to the tune of \$400 million in negative cash flow. Oversight and

accountability had broken down along with any sense of our fiscal responsibility to taxpayers. Common sense had left the building, along with our workforce.

That era is over – and it is a new day at the SBA.

I come to this role with three decades of private sector experience building small businesses and helping grow them. I quickly set about streamlining operations, enhancing accountability, and ensuring that small businesses had the resources they needed to thrive.

After reviewing the agency's financials and operating metrics, we launched a full-scale reorganization to right-size the SBA back to pre-pandemic staffing levels. We've shifted resources that had been consolidated in Washington back out into the field, among our 68 District Offices in local communities. We cancelled wasteful contracts for total cost savings of more than \$3 billion. I am proud that we are working alongside the DOGE team, who are not partisan, but patriots and business leaders who care about the future.

We also took urgent action to restore the financial integrity of our core loan programs by reinstating lender fees and restoring underwriting standards – eliminating the “Do What You Do” criteria that put taxpayers on the hook for billions of dollars. And we implemented new identity and citizenship verification protocols to ensure loans go only to eligible businesses – not illegal aliens or fraudsters.

We made it a priority to depoliticize the agency and end the era of picking winners and losers based on race or ideological beliefs – replacing that with our nation's strong tradition of free enterprise. We eliminated DEI mandates, terminated the “Green Lender” initiative, and withdrew SBA from voter registration schemes. And we began relocating SBA offices out of sanctuary cities that refuse to enforce federal immigration law.

At the same time, we are helping rebuild American industry through the SBA's Made in America Manufacturing Initiative. We're backing this legislation to give small manufacturers additional capital. And just yesterday we introduced a first-of-its-kind Onshoring Portal to help small businesses find American-made supply chains and partners.

The results are immediate and measurable. In our first 100 days, SBA loan approvals have skyrocketed by 80% compared to the same time under the last Administration. Loans to the smallest businesses – those with five or fewer employees – nearly doubled. And the share of federal contracts going to small businesses is 23%, up from just 18% when we came into office.

With new opportunity and a strong economic agenda, demand for capital is up. Businesses are growing. And confidence is rising across the country.

I'm proud to say that this is not the SBA of past. It is a stronger, leaner engine for free enterprise – one that supports American industry, respects taxpayer dollars, and delivers results.

We are no longer supporting the globalists, bureaucrats, or partisan political interests – but the small defense manufacturers, the local construction companies, and the tech company founders putting everything on the line to live the American Dream.

Alongside President Trump, we're empowering small businesses to lead America's industrial comeback. Now, Congress has an opportunity to supercharge that comeback – with new capital that will make us stronger, more independent, and more resilient than ever before.

The *Made in America Manufacturing Finance Act of 2025* builds on what we've accomplished – and sends a clear signal that this country is serious about rebuilding its manufacturing base, jobs, and supply chains. It's simple. It's responsive. And it delivers exactly what job creators and lenders have been asking for.

Thank you again to Chair Ernst and Chairman Williams in the House for your leadership. I ask for your favorable consideration and look forward to working with you to get this bill passed.

Thank you. I look forward to your questions.