



**Testimony of Administrator Kelly Loeffler**  
**Before the U.S. House Committee on Small Business**  
**June 4, 2025**

Chairman Williams, Ranking Member Velázquez, and Members of the Committee: Thank you for the opportunity to appear before you today to discuss the President's FY 2026 discretionary budget request for the U.S. Small Business Administration.

This budget reflects our agency's return to its mission with a clear strategy: streamline services, eliminate waste, and ensure every taxpayer dollar delivers measurable results for America's small businesses. It consolidates duplicative operations, shifts resources to our field offices on the frontlines, and refocuses the agency on proven solutions, including our capital access program and nationwide network of Small Business Development Centers.

It reflects the President's belief that small businesses are not just part of the economy—they are the engine of it. And that to build a stronger, more secure, and more prosperous America, we must put Main Street and our job creators first.

I'm pleased to report that under President Trump's leadership, and through the reforms we've implemented at the SBA, that is exactly what's happening.

Main Street is making a historic comeback. Since January, President Trump has cut core inflation to its lowest level since 2021. He has secured over \$11 trillion in private-sector investment. He has delivered half a million new jobs, while deregulating after the last four years of massive bureaucratic expansion of the regulatory state. And he has brought dozens of countries—including China—back to the negotiating table for fair trade deals. Job creators and workers once again have a seat at the table, too—and they know this Administration has their back.

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.



Since January 20th, we've undertaken a sweeping overhaul of the agency to refocus it on its statutory mission of supporting small businesses and fueling economic growth through free enterprise. We are cutting red tape, restoring accountability, and delivering capital to the job creators who power opportunity, growth, and innovation.

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. Following an extensive review of the financials and operating metrics, I launched a full-scale reorganization to right-size the agency, returning to pre-pandemic staffing levels. Our team is unleashing 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'm proud that we are working alongside the DOGE team, who are not partisans, but patriots and business leaders, like myself, who are working to strengthen the future of our nation.

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 reckless “Do What You Do” criteria that put taxpayers on the hook for billions of dollars. And we implemented common-sense 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 new legislation to give small manufacturers additional capital. Just last month, 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, and 20% compared to when the last Administration left office. 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% in January.

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 the past. This is a leaner, stronger, and unapologetically pro-small business agency—one that supports American industry and its workers, that respects taxpayer dollars, and delivers results.

I've seen the impact of these reforms firsthand. From Bay City to Boise, small business owners are expanding, hiring, and reinvesting in their communities. They know that—for the first time since the first Trump Administration—this Administration is on their side.

The SBA is once again serving the people who built this country. Not 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.

Chairman Williams and Members of the Committee: As a former small business owner and employee myself, I believe firmly in the dignity of work, the American Dream, and the power of free enterprise to uplift every job creator across this country. That's what guides our work at the SBA – and I am proud to say, it is also the vision we are returning to at the SBA.

Thank you. I look forward to your questions.