



## **Testimony of Associate Administrator Thomas Kimsey Before the U.S. House Committee on Small Business September 16, 2025**

Chairman Williams, Ranking Member Velázquez, and Members of the Committee: Thank you for the opportunity to testify today on behalf of the U.S. Small Business Administration (SBA).

My name is Thomas Kimsey, and I am honored to serve as the Associate Administrator for SBA's Office of Capital Access. I come to this role with more than 30 years in the SBA and U.S. Department of Agriculture lending spaces.

I was raised in rural north Georgia, working in my family's grocery store, and spent time in my father's commercial egg business, which was made possible through SBA financing. As an entrepreneur myself, I learned firsthand the challenges of owning and operating a small business and the importance of access to capital.

Capital is the lifeblood of America's 36 million small businesses—which means it is also the lifeblood of job creation, production, industry, growth, and prosperity. As the federal government's largest guarantor of small business loans, the SBA helps supply these job creators with the capital to start, grow, and expand.

Over the last four years, the SBA lost sight of that mission. Under the Biden Administration, loan programs were driven less by sound lending practices and more by social engineering and open malfeasance.

The agency approved a host of non-bank lenders to originate loans. It waived fees designed to keep the program in the black. And it implemented "Do What You Do" underwriting standards that drove defaults and delinquencies to record highs. The previous Administration's reckless policies and decision to reduce fee revenues undermined the 7(a) Loan Program, resulting in a nearly \$400 million cost that they passed on to taxpayers in FY 2024.

To add insult to injury, the Biden Administration failed to implement basic protections to stop fraud. Until this Administration, the agency never had controls in place to prevent



lending to illegal aliens. It's little wonder that SBA failed to pass a financial audit for four full years.

This mismanagement meant fewer dollars reaching deserving American small businesses, higher costs for lenders, greater risk for our taxpayers, and less confidence in the federal government's ability to act as a responsible partner in capital markets.

To be clear: the reckless lending practices of the Biden Administration will continue to drive defaults and delinquencies, which will cost taxpayers over the lifetime of those loans. Which is why, from Day One, this Administration has taken historic action to correct course, with the most significant reforms to capital access in years.

Under the leadership of President Donald J. Trump and Administrator Kelly Loeffler, we have restored pre-Biden underwriting standards for the 7(a) Loan Program, to ensure it remains a reliable resource of capital for small business growth and formation. We have reinstated lender fees to protect the zero-subsidy status of the program and safeguard tax dollars. We have added new verification measures within our loan application process to strengthen protections against fraud. At the same time, we have reinstated the Franchise Directory to streamline loan approvals in coordination with our lenders and industry leaders.

We have returned our focus to delivering capital to eligible and deserving job creators—not political allies. We immediately ended programs like the Green Lender Initiative, and recently ordered our network of more than 5,000 lenders to suspend the debanking practices that prevented thousands of legitimate job creators from accessing capital on the basis of their political, religious, or ideological beliefs.

We are focused on supporting the America First Agenda—most notably, the reshoring of American jobs, strength, and industry. Our Made in America Manufacturing Initiative is expanding opportunities for small manufacturers. We have backed legislation to double the loan limits for small manufacturers, and we expanded the 7(a) program's ability to serve those same businesses, which make up 98% of all U.S. manufacturers. Additionally, we launched the Make Onshoring Great Again Portal, a free tool designed to help small businesses identify U.S. manufacturers and producers, which will in turn support American jobs, reconnect our supply chain with U.S.-based production, and end our nation's concentrated dependence on foreign suppliers.



With a zero-tolerance approach to fraud, stronger underwriting standards, and an emphasis on accountability and transparency, we are delivering more capital to America's small businesses than at almost any other point in the last decade.

Since January 20<sup>th</sup>, SBA has approved nearly 53,000 504 and 7(a) loans and \$28.3 billion in volume—a 14% increase in loan volume compared to the same period in 2024.

Tens of thousands of small businesses—from defense manufacturers to local restaurants—are now accessing affordable capital to hire workers, expand operations, and invest in the future.

The latest small business optimism index from the National Federation of Independent Businesses shows that small business confidence has risen above the 50-year average and is now at a seven-month high.

Thanks to new SBA reforms and the America First Agenda—including lower taxes, fair trade, and deregulation—small businesses are stepping into a new golden era of opportunity, prosperity, and promise.

As we look ahead, the SBA will continue to strengthen oversight, modernize systems, and expand partnerships with lenders throughout the country. We are committed to ensuring that small businesses can access capital responsibly, efficiently, and fairly while cracking down on fraud.

America's small businesses are the backbone of our economy. They deserve a federal partner that supports them with integrity and results.

In closing, I want to thank this Committee for its partnership. Together, we can ensure that SBA capital programs deliver opportunity for hardworking entrepreneurs while protecting taxpayers and strengthening America's economy for the future.

Thank you. I look forward to your questions.