

2019 AEO Recess Packet



AEO 2019 Policy Priorities

Since 1991, AEO and its member and partner organizations have helped millions of entrepreneurs contribute to economic growth while supporting themselves, their families, and their communities. AEO's more than 1,700 members and partners include a broad range of organizations that provide capital and services to assist underserved entrepreneurs in starting, stabilizing, and expanding their businesses. Together, we are working to change the way capital and services flow to underserved entrepreneurs so that they can create jobs and opportunities for all.

Modernize the Microloan Program

Congress should pass legislation that modernizes the SBA's Microloan Program and enacts much-needed changes. Many of the below recommendations are included in Senator Duckworth's *Microloan Program Expansion Act of 2019*.



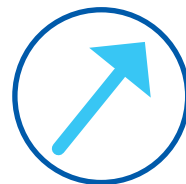
Eliminate the 1/55th Rule

This rule was an attempt to ensure that each state has access to resources needed for lenders but instead distorts the lending market, creating the burden of unnecessary delays in some states.



Eliminate the 50/50 TA Restrictions

This rule dictates that 50% of Technical Assistance (TA) be given to the lender pre-loan and 50% post-loan. It is a reporting burden on both lenders and the SBA and stymies intermediaries. It also ignores how credit-lenders help future borrowers become credit ready with TA prior to the distribution of the loan.



Increase Aggregate Loan Amount

The aggregate loan limit for intermediaries after their first year of participation in the Microloan Program is currently set at \$6 million. This should be raised to \$7 million to allow microlenders in high-need areas to service a larger number of entrepreneurs.

AEO Quick Facts

1700

Members Strong

27 Years

of advocating for
underserved
entrepreneurs

~\$2B

secured for
microbusiness industry
participants



Reauthorize Other Key SBA Programs

Congress should modernize other existing programs at the Small Business Administration (SBA) that have proven successful, so that these programs can continue to reach underserved communities.

- > **Community Advantage.** This successful pilot program should be made permanent as it is a strong option for entrepreneurs unable to access bank credit.
- > **Prisoner Reentry Program.** The NEW START Act introduced by Senator Cardin establishes an entrepreneurial development training program to help returning citizens rejoin their communities through entrepreneurship.
- > **Entrepreneurial Development programs.** We need to strengthen programs that give underserved entrepreneurs the support and training they need, such as those run by the Women’s Business Center (WBC), Small Business Development Centers (SBDC), and Veterans Business Outreach Centers (VBOC).

Increase Funding To Key Programs

Robust funding is an important part of any program that seeks to serve minority, low-income, and rural entrepreneurs and their broader communities. Below is an outline of AEO’s fiscal year 2020 appropriations request for Microloan Direct Lending, Microloan TA, PRIME TA, CDFI, Rural Business Development Grants, and Community Economic Development Grants.

	FY19 Law	FY20 Presidential Budget	AEO FY20 Request	House FY20 Passed	Senate*
Microloan Direct Lending (Treasury)	\$39M	\$40M	\$45M	\$46M	TBA
Microloan TA (SBA)	\$31M	\$25M	\$35M	\$35M	TBA
PRIME TA (SBA)	\$5M	Eliminates	\$10M	\$7M	TBA
CDFI (Treasury)	\$250M	\$14M (For admin and research only)	\$300M	\$300M	TBA
Rural Business Development Grants (USDA)	\$35M	Eliminates	Increased Funding	\$35M	TBA
Community Economic Development Grants (HHS)	\$19.88M	Eliminates	Increased Funding	\$25M	TBA

*Senate appropriations not yet released

How to Schedule a Meeting

Each year during the month of August, Congress goes into “recess,” otherwise known as “district work periods.” Congressional recesses are times when legislators in the House and Senate leave Washington, DC and return to their district or state to listen to their constituents. August recess is the longest district work period of the year, which means constituents have a better chance to successfully request meetings and make their voices heard. Below is a brief guide to scheduling a meeting with your legislator.

- 1.** Identify your two senators and your representative in the House. You can find your senators based on your state and you can find your representative by entering your zip code in the top right corner of www.house.gov.
- 2.** Request a meeting by calling their home state district office. This information can be found on the Member of Congress’s website.
 - Be sure to indicate that you are a constituent that lives in the area the member represents, and the topic you would like to discuss.
 - If the senator or representative is unavailable, request a meeting with a member of their staff. Staffers often work on specific issues of which they have a deep understanding and they communicate regularly with the member. These meetings are worthwhile.
- 3.** Be sure to indicate who you are and your affiliation with the Association for Enterprise Opportunity.
- 4.** You may be directed to email an office scheduler or staff member directly, or to fill out a meeting request form online.
- 5.** Follow up directly with a phone call to ensure the scheduler has received your request.

Share Your Results

You’ve scheduled a meeting, but don’t stop there. We want to know the outcome. Share your outcomes by clicking below.

Report the Findings

<http://bit.ly/32XxswJ>



Meeting with Your Legislator

A Guide to Your District Office Visit

Meeting with your Congressional delegation is key to ensuring they understand the issues important to the microlending community. Even if you are not an expert on legislative issues, or have never before talked to an elected official, you can still hold an effective meeting with your senators and representative and/or their staff. Remember: as a constituent, YOU are an important voice that they want to hear. By making an introduction and leaving behind information, you are taking the first step in developing a very important relationship.



Before the Meeting

- > **Decide who needs to be there.** Consider including board members, community-based organizations that you partner with, or actual clients that can share how they have been positively impacted by a microloan.
- > **Prepare for your meeting.** Take a moment to review AEO's policy priorities and gather relevant data from your organization. Be prepared to talk about the impact your organization has on your community and your state. Numbers and statistics are important here. Make sure you have a printed copy of materials you plan to leave behind.



Meeting Day

- > **Be prepared, be on time, and be flexible.** Most meetings last about 15-25 minutes, but can be shorter or longer depending on the schedule of the office. Expect a meeting with the Member of Congress to be shorter than a meeting with a staffer.
- > **Here is a sample meeting agenda you may find helpful:**
 - Introduce yourself, your organization, your affiliation with AEO, and where you are located. Share AEO's policy priorities one pager. [Download One Pager](#)
 - Using materials from your organization, discuss the important role your organization plays in lending and technical assistance to local microbusinesses.
 - Ask for Washington, DC office contacts so you can establish a relationship in Washington as well as at home.



After the Meeting

- > **Thank the legislator and/or staff member** with an email promptly after your meeting. If you took a picture, send a tweet with a thank you message or post on social media and be sure to tag the legislator. If you post the photo on your website, be sure to caption the photo properly.
- > Add the legislator and/or staff to your newsletter and be sure to invite them to your next event.