

Small Business Notes

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In July, U.S. Senators Jeanne Shaheen of New Hampshire and John Kennedy of Louisiana authored the Consolidated Support for Rural Businesses Act.

The initial press release for the proposed legislation notes that both the USDA and USSBA have loan and capital access programs to support small businesses. While those programs have different purposes, structure, and statutory authority they are not intended to be clones of each other nor to be competitors with each other. But the administrative details of the programs can lead to potential clients being unaware of one or the other or being confused about eligibility for each. As a remedy to these drawbacks, the USDA and USSBA in 2023 entered into a memorandum of understanding that seeks to coordinate the development and investment efforts of both agencies.

The proposed legislation would codify the terms of the memorandum of understanding both to ease coordination in the present and better ensure continued coordinated efforts in the future. The proposed legislation would direct both agencies to convene working groups to:

- Identify synergies among the two agencies' loan programs—to include both smaller programs and larger programs like the USSBA's 7(a) program.
- Assess improved delivery by both agencies of resources through lenders, resource partners like the SBDC network and others.
- Coordinate the USDA's Rural Business Investment Company Program and the USSBA's Small Business Investment Company Program.
- Share best practices and evaluations among the two agencies and other rural economic development groups.
- Collaborate on technical assistance, procurement, exporting and innovation.

The proposed legislation would also create a permanent Assistant Administrator to oversee the USSBA Office of Rural Affairs.

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