

Key Vote



KEY VOTE “NO” H.R. 5297: The Small Business Lending Fund Act

June 17, 2010

Dear Representative:

On behalf of hundreds of thousands of FreedomWorks members nationwide, I urge you to VOTE NO on H.R. 5297, The Small Business Lending Fund Act, which would allocate \$30 billion from the Troubled Asset Relief Program to a new fund for financial institutions with less than \$10 billion in assets. The legislation would also create a new \$2 billion federal program to encourage states to develop initiatives to increase access to capital for small businesses.

When the TARP bailout was initially passed, taxpayers were rightfully outraged at the new liabilities imposed on them. Creating a “TARP Junior” for smaller institutions and a new series of loans to small businesses is just as wrong as the initial TARP and an additional liability for taxpayers. Moreover, like TARP, there is little to suggest that pumping money into weak financial institutions will necessarily increase lending.

Much of the current economic crisis was caused by loose monetary policy at the Federal Reserve coupled with federal housing policies and political objectives that fueled the subprime bubble in the mortgage markets. The market currently is in a correction, sorting out the missteps of the recent financial crisis. It is a costly and sometimes painful process, but increased federal involvement will not improve the outcome. The Small Business Lending Fund Act would distort this process, exposing taxpayers to greater liabilities and encouraging states to increase expenditures at a time when fiscal responsibility is of the utmost priority.

We will count your vote on the cloture motion on H.R. 5297, the Small Business Lending Fund Act as a KEY VOTE when calculating the FreedomWorks Economic Freedom Scorecard for 2010. The Economic Freedom Scorecard is used to determine eligibility for the Jefferson Award, which recognizes members of Congress with voting records that support economic freedom.

Sincerely,

Matt Kibbe
President and CEO
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