



**NEW MEXICO
BUSINESS COALITION**

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RE: Support SB 3 Small Business Recovery Act

Dear Representative:

The New Mexico Business Coalition (NMBC) represents hundreds of businesses and thousands of New Mexicans. Our focus is to make New Mexico a better place to do business so that New Mexicans can have jobs and provide for their families.

NMBC supports SB 3 Small Business Recovery Act because it provides another possible tool for struggling businesses. This bill provides for a longer term of repayment and very generous terms, which will help some businesses to qualify and repay a loan that will help them stay in business. Many small businesses are not favorably inclined, however, to take on additional debt due to the precarious situation they find themselves in due to the extended lockdown.

SB 3 raises some underwriting concerns because the loans do not require a personal guarantee under \$75 thousand nor do borrowers need to provide a certification that the business does not reasonably expect to cease operations or declare bankruptcy. This is very unusual to provide for responsible underwriting and puts the state at greater risk for some of these businesses defaulting on the loans.

NMBC urges support of different business recovery tools and most especially the use of the newly committed \$2+ billion federal dollars to support the businesses in New Mexico. We see an urgent need for a minimum of \$750 million going to the Unemployment Insurance (UI) Fund. This will provide assurance that those individuals out of work can collect benefits and businesses will not be forced to reduce job opportunities with punitive UI tax rates.

Thank you,

A handwritten signature in blue ink, appearing to read "Carla J. Sonntag".

Carla J. Sonntag
President