

Summary: Senate Small Business Committee Confirmation Hearing for Senator Kelly Loeffler to serve as next Small Business Administrator

January 29, 2025

On Wednesday, January 29th, 2025, the Senate Committee on Small Business and Entrepreneurship held a hearing to consider the nomination of former Senator Kelly Loeffler to serve as the next Administrator of the US Small Business Administration.

Below, you will find topline from her first confirmation hearing.

- Her written testimony can be found [here](#) and the recording of the hearing can be found [here](#).
- Additionally, a letter by Senator Ernst to President Trump regarding SBA programs, including lending, and pandemic relief can be found here: [1.21.2025 SBC Chair Ernst Letter to President Trump on SBA Challenges FINAL](#).

Introduction of Sen. Loeffler and Opening Statements by Chair Ernst & Ranking Member Markey

- Chair Joni Ernst expressed her concerns about the SBA's performance under the Biden administration, citing issues with COVID-19 relief programs, loan management, and workforce utilization.
- Ranking Member Edward J. Markey emphasizes the importance of supporting small businesses, promoting innovation and competition, and ensuring fairness in the marketplace, while also criticizing the Trump administration's actions, including the firing of the SBA's inspector general.

DEI Programs

- Loeffler clarified that she supports President Trump's Executive Orders eliminating DEI programs in the federal government. She stated that she would uphold the law and ensure that all Americans have access to SBA programs, while also acknowledging that executive orders cannot overturn congressional mandates.
 - Senator Ernst also expressed her concern about the Biden administration's supplemental DEI programs within the SBA, which were not codified in law, and notes that President Trump's executive order is likely to roll back these mandates.
- Loeffler told the committee that she will uphold the law and support programs that benefit diverse communities, including women-owned businesses, without picking winners and losers.
 - Loeffler emphasizes the importance of having a well-functioning agency to ensure access to programs for a diverse range of communities, and notes that she understands the



importance of supporting women-owned businesses, having been a woman-owned business owner herself.

- Loeffler expressed her support for programs such as the Minority Business Development Agency and the Department of Agriculture's small business set-aside challenge, and committed to working with the committee to address these issues.
- Sen. Hawley expressed concerns about the SBA's previous focus on a racial equity agenda under the Biden Administration, specifically the 8(a) program, which he claimed used racial preferences to allocate funding, and was ruled unconstitutional by a federal court.
- Loeffler responded by stating that President Trump's executive order would put a stop to these programs, and she would focus on making SBA lending available to all qualified small businesses, regardless of the owner's background or location.
- Senator Hawley also highlighted the imbalance in SBA lending between urban and rural areas, citing that only 12% of SBA loans in fiscal year 2020 went to rural businesses, and Loeffler agreed that rural small businesses are crucial to their communities and need more support.

Loeffler's Commitment to Small Businesses and SBA Reform

- Loeffler emphasized her commitment to serving small businesses, cutting red tape, and restoring accountability and transparency at the Small Business Administration (SBA).
- She pledged to provide timely information to the committee, ensure the SBA's financial situation is in order, and root out fraud and waste within the agency.
- Loeffler also expressed her disagreement with the premise of a question regarding the lawfulness of President Trump's action to cut off federal funding authorized and appropriated by Congress.

Questioning on Trump Administration Actions and Small Business Issues

- Loeffler was questioned by Senator Markey about President Trump's decision to cut off federal funding authorized and appropriated by Congress.
 - Loeffler disagreed with the premise of the question, stating that she agreed with President Trump's decision to stop wasteful spending, but acknowledged that the action may have caused uncertainty for small businesses.
- Loeffler was questioned about President Trump's recent actions, including firing inspectors general and freezing funding, which some senators considered illegal.
- She was also asked about her support for small businesses, particularly in regards to the Small Business Innovation Research (SBIR) program, and her commitment to ensuring that any SBIR authorization effort maintains a merit-based process.
- Loeffler expressed her support for President Trump's policies, including tariffs, and stated that she would be a voice for small businesses if confirmed as SBA Administrator.



- She was also asked about her views on Planned Parenthood, the January 6 insurrection, and disaster relief, and responded that she would faithfully uphold the laws and ethics rules as SBA Administrator.

Disaster Relief Funding and Transparency

- Kelly Loeffler, the Small Business Administrator nominee, testified at a confirmation hearing, addressing concerns about the SBA's disaster relief funding and transparency.
- Loeffler committed to ensuring timely and accurate reporting to Congress regarding account balances and funding needs, and to addressing the transparency failures during the Biden administration.
- She also pledged to support small businesses, particularly those in rural areas, and to make SBA lending available to all who qualify, regardless of the owner's background or location.

Supporting Rural Small Businesses and Addressing Fraud

- Loeffler agreed that the current imbalance between urban and rural areas in terms of access to funds needs to be addressed, and she pledged to make rural small businesses a priority.
- She also emphasized the need to root out fraud and abuse in government programs, supporting a special inspector general to monitor and prevent waste.
- Loeffler reassured small business owners that they will have a champion in her, and she will work to ensure they have access to the funds they qualify for and the support they need to succeed.
- She also committed to supporting the State Trade Expansion Program (STEP) to help small businesses access foreign markets.

Improving SBA Efficiency and Effectiveness through Technology

- Loeffler discussed her plans to improve the efficiency and effectiveness of the Small Business Administration (SBA).
 - Loeffler emphasized the importance of adopting the latest technologies, such as AI, to help small businesses and expressed her willingness to work with the committee to promote digital trade and clarify the law on digital tool costs for small businesses.
 - She also discussed the need to address the SBA's cyber infrastructure, support the reauthorization of the Small Business Innovation Research (SBIR) program, and ensure that federal contracting money is allocated to small businesses in a fair and efficient manner.
 - Loeffler acknowledged the challenges faced by the SBA, including fraud and delays in disaster funding, and pledged to work closely with the committee to increase accountability and transparency in the agency's programs.



- She emphasized the importance of customer service and responsiveness in serving small businesses and expressed her commitment to using data-driven approaches to improve the SBA's programs and services.

Disaster Relief Funding and Rural Communities

- Loeffler emphasized the need to keep politics out of disaster funding and relief efforts.
- Loeffler acknowledged the challenges faced by rural communities in receiving disaster assistance due to the cost-to-benefit ratio, which often favors urban areas with higher property values.
- Senators Maria Cantwell and Joni Ernst expressed their concerns about the issue and their willingness to work with Loeffler to address the disparities in disaster relief funding for rural communities.

