Resolution No. 14: Reauthorize and Fund the U.S. Small Business Administration’s Patriot Express Loan

Origin: Veterans Employment & Education Commission
Submitted by: Veterans Employment & Education Commission

WHEREAS, Assistance to veterans who have honorably served our country is a veterans benefit that dates back to the Servicemen’s Readjustment Act of 1944; and

WHEREAS, Benefits to veterans have always included assistance in creating and operating veteran-owned small businesses; and

WHEREAS, In accordance with the Financing Their Future: Veteran Entrepreneurs and Capital Access Report issued by the U.S. Small Business Administration (SBA) and the Federal Reserve Bank of New York, there are 2.5 million veteran-owned businesses in the U.S. economy, contributing to more than $1.1 trillion in total business sales; and

WHEREAS, Veterans face greater difficulty to accessing capital relative to nonveterans; and

WHEREAS, Veterans saw lower loan approval rates than non-veterans; and

WHEREAS, During military service, many veterans may not accrue necessary or adequate capital or collateral requirements necessary to privately finance their small business, especially if it is home based; and

WHEREAS, A core mission of the SBA is to assist eligible small business entrepreneurs with gaining access to the financial resources needed to either start or expand their small business through either a guaranty or direct loan, or both; and

WHEREAS, The American Legion encourages efforts of the SBA to improve access to capital for veterans, active-duty servicemembers eligible for the military’s Transition Assistance Program, reserve and Guard members, and their spouses; and

WHEREAS, In 2007, the SBA introduced the Patriot Express Loan as a pilot product for veterans and other eligibility military members to gain faster access to capital needed to start or expand their business; and

WHEREAS, The Patriot Express Loan provided up to $500,000 in funding, and lower interest rates, and could be used for most business-related purposes; and

WHEREAS, The SBA discontinued the Patriot Express Loan pilot product at the end of 2013; and

WHEREAS, The American Legion encourages legislation that would reauthorize and fund the SBA’s Patriot Express Loans (or a similar timely, cost effective and targeted loan programs for veterans); and

WHEREAS, The Patriot Express Loan would offer larger amounts of financing, lower interest rates, a loan guaranty up to 90 percent and no guaranty fees; now, therefore, be it

RESOLVED, By the National Executive Committee of The American Legion in regular meeting assembled in Indianapolis, Indiana, on October 16-17, 2019, That The American Legion encourages legislation that would reauthorize and fund the U.S. Small Business Administration’s Patriot Express Loan.