

February 25, 2011

The Honorable Timothy Geithner
Secretary of the Treasury
Office of the Secretary
1500 Pennsylvania Avenue
Washington, DC 20220

Dear Secretary Geithner:

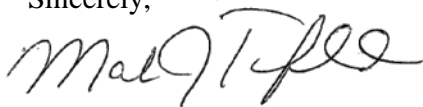
The American Bankers Association appreciates your ongoing efforts to address the credit needs of small businesses through the Small Business Lending Fund (SBLF). We strongly support Treasury's stated intention to make the SBLF available to banks of all types and sizes. That is why we are concerned that mutual institutions and Subchapter S corporations are, as they were with the Capital Purchase Program, being placed at the end of the line of financial institutions when it comes to their ability to participate.

To date Treasury has published a wealth of information for bank and savings and loan holding companies that are neither mutually chartered nor Subchapter S corporations. Our members have found that information very helpful, and we commend Treasury for the quality of the information provided. However, those materials explicitly do not apply to mutuals and Subchapter S corporations. Our research shows that there are 2401 Subchapter S banks, 485 stand-alone mutual institutions, and 162 mutual holding companies. Keeping these institutions on the sidelines is likely to hamper the ability of the SBLF to meet the credit needs of small businesses, given the extensive involvement of these institutions in small business lending.

As you know, the SBLF authorization has a one-year authorization that expires in approximately seven months. This leaves very little time for institutions to familiarize themselves with as-yet unpublished materials, apply, and be approved. Thus, we urge Treasury to publish application materials for mutual institutions and Subchapter S corporations as soon as possible so that these institutions can participate in the SBLF.

Thank you for your consideration and we look forward to continuing to work with you and your staff.

Sincerely,



Mark J. Tenhundfeld

cc: Chairman Ben S. Bernanke, Federal Reserve Board
Chairman Sheila Bair, Federal Deposit Insurance Corporation
Acting Director John Bowman, Office of Thrift Supervision
Acting Comptroller John Walsh, Office of the Comptroller of the Currency

