

State of South Carolina
Department of Agriculture



Hugh E. Weathers
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November 15, 2017

The Honorable Tim Scott
United States Senate
717 Hart Senate Office Building
Washington, DC 20510

Dear Senator Scott,

I write to you in support of the New Markets Tax Credit (NMTC) program. Small businesses in our state are suffering from a credit crunch. Earlier this year the Federal Reserve Bank of Dallas reported that small-business loans at U.S. commercial banks have declined 15 percent from their pre-financial crisis high while total business loans have increased 33%. Overall, the share of small-business loans as a share of total bank loans has shrunk from almost 40 percent of the overall business loan portfolio in 2004 to 20 percent in 2016.

Access to capital for small businesses in our rural communities is even more acute as the number of community banks steadily declines while Dodd-Frank has greatly increased regulation. This factor contributes to job loss and migration from our rural communities to urban and suburban areas. I see opportunities for our small businesses to create rural jobs every day but for a lack of capital.

As Congress considers tax reform, I urge you to support the inclusion of the NMTC program in tax reform. Our small businesses, especially those in rural areas, are suffering from a lack of access to traditional lending. New Markets addresses this problem while paying for itself. I believe it is good public policy to support programs like New Markets that create jobs, expand our tax base and encourage the private sector to invest much needed capital in South Carolina.

Thank you for your service to our State and your consideration of this matter.

Sincerely,

A handwritten signature in cursive script that reads "Hugh E. Weathers".

Hugh E. Weathers