

Trump Administration: Losing on Lending

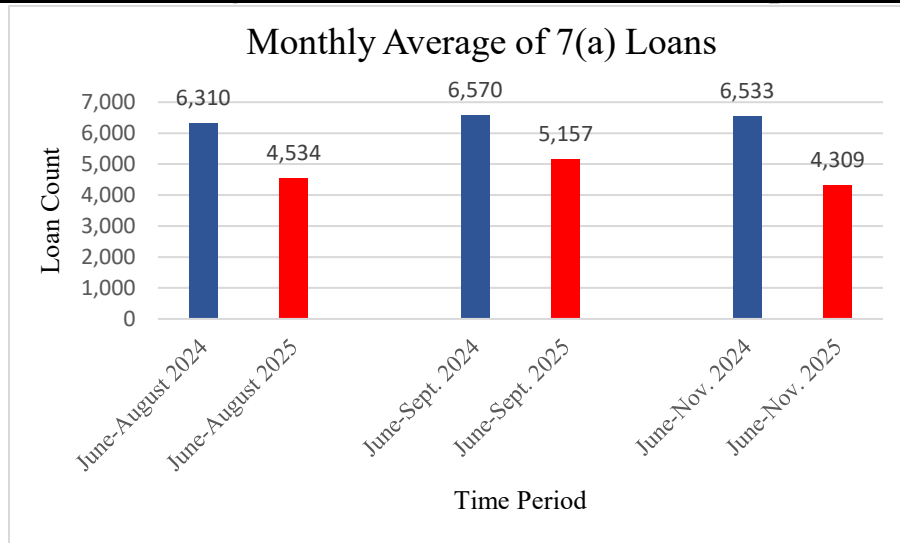
Senate Small Business Committee Ranking Member *Ed Markey (D-Mass.)*

The Trump Administration is making it harder to start and run small businesses. While Trump's destructive tariffs are causing high inflation and economic uncertainty, leaving small business owners constantly in the lurch, his actions are also causing small business lending to crater. Trump's Small Business Administration (SBA) implemented rule changes on June 1, 2025 that rolled back Biden-era policies; these policies led to the highest level of small business lending since 2007. Prior to the June 2025 rule changes, SBA loan programs were largely operating under rules implemented by the Biden Administration.

Trump's rule changes have clearly limited small business access to SBA loans. The immediate impact of these changes was extreme: lending plummeted by 46% in the three months following Trump's rule changes made in June. **Lending in June-August 2025 was down 28% compared to June-August 2024 levels.**

SBA lending from September-November was affected by the Republican shutdown: historical data shows that the risk of a shutdown tends to spike lending in the month prior as lenders rush to submit loans. No SBA loans were made in October and parts of November because of the shutdown. Despite these anomalies, every comparison of 2025 SBA lending, post Trump's rule changes, to 2024 SBA lending has the same conclusion: SBA lending is down under Trump.

Small Business Lending: Biden Administration vs. Trump Administration¹



Trump's policies such as increased credit score, citizenship verification, and underwriting requirements are disproportionately harming entrepreneurs from minority and underserved communities. The rule changes are already impacting lending to such communities including women, Black, Hispanic, and Native American entrepreneurs. Small dollar lending (under \$500,000) has also declined at a higher rate than overall lending.

¹ The analysis of loan data is based off of publicly available FOIA data on the 7(a) program.