



April 8, 2025

The Honorable Lyman Hoffman
Co-Chair
Senate Finance

The Honorable Donald Olson
Co-Chair
Senate Finance

The Honorable Bert Stedman
Co-Chair
Senate Finance

Senate Bill 39 - OPPOSE

Dear Chairs Hoffman, Olson & Stedman,

The Revenue Based Finance Coalition ("RBFC") is an organization of responsible providers of revenue-based financing to small and medium sized businesses. Our mission is to promote industry best practices and practical and effective legislation that ensures businesses have access to fair and ethical services and capital. The RBFC opposes SB 39 in its current form because of the unintended consequences the bill will have for the smallest of the small businesses in Alaska.

As written, the bill will most impact small businesses seeking loans of less than \$25,000 from providers of non-bank commercial financing. The proposed legislation will make those types of loans harder to access and thus will limit access to capital.

Generally speaking, the types of businesses that are seeking loans of \$25,000 or less have certain characteristics. They are likely in early operation (less than 2 years), have lower annual revenues of under \$250k/year, need specific capital needs such as buying a small piece of equipment or utilizing working capital, may have limited credit histories or lower credit scores, and may have minimal collateral. Main street small businesses in Alaska with these criteria often need smaller loan amounts. Alaska needs policies in place that will keep these options open to the smallest of the small businesses.

We urge the committee members to oppose this bill as to avoid any unintended consequences for Alaska's small businesses.

Sincerely,

A handwritten signature in cursive script that reads "Mary Donohue".

Mary Donohue, Executive Director
Revenue Based Finance Coalition