



February 21, 2025

BY ELECTRONIC TRANSMISSION

Mr. Paul Van Eyl, Director of Policy
Office of Investment and Innovation,
U.S. Small Business Administration
409 Third Street, S.W.
Washington, D.C. 20416

RE: Request for Comment: SBA Form 2181 - Management Assessment Questionnaire (Long; Short; and Subsequent Fund forms) (OMB Control No. 3245-0063)

Dear Mr. Van Eyl:

On behalf of its membership, the Small Business Investor Alliance (“SBIA”) is pleased to respond to the above-referenced notice from the U.S. Small Business Administration (“SBA”) requesting stakeholder comments regarding SBA Form 2181 (“Management Assessment Questionnaire” or “MAQ”).¹ SBIA is the national organization that represents licensed small business investment companies (SBICs) and their limited partners.

SBA uses the MAQ to assess an SBIC license applicant’s ability to successfully operate an SBIC within the scope of the Small Business Investment Act of 1958, as amended.² SBIA understands that the MAQ forms are necessary for SBA’s sound operation and oversight of the SBIC program, and we support their continued use by applicants seeking a license to participate. However, the scope and scale of the MAQ is daunting. We ask the SBA to minimize time and cost burdens on applicants. Please remain vigilant by balancing an ongoing commitment to streamline both the MAQ format and completion process against the obligations placed on applicants for the collected information necessary to maintain program integrity.

We urge the SBA to stay within the Act’s statutory bounds that demarcate the specific information for collection and how SBA evaluates it.³ The Act requires SBA to consider, in reviewing and processing any licensing application, “whether the management of the applicant is qualified and has the *knowledge, experience and capability necessary*” (emphasis added) for an SBIC license,

¹ 89 Federal Register 104601 (December 23, 2024). The MAQ Form 2181 currently in use was approved for a three-year period last year by the U.S. Office of Management and Budget (OMB) pursuant to federal Paperwork Reduction Act requirements. SBIA understands that the SBA’s December 2024 request for stakeholder comments is required because SBA seeks to make certain technical and stylistic improvements to Form 2181 that should improve the ability for applicants to present and submit data.

² 15 USC § 661 *et seq.* (the “Act”). Sections 681-688 of the Act detail the SBIC program.

³ 15 USC § 681(c).

and to consider “the general business reputation of the owners and management of the applicant” to help assess the likelihood of successful operations, adequate profitability and financial soundness.⁴ SBA must not use the MAQ to collect information and evaluate applicants on matters that are outside the statutory scope of the Act’s enumerated objective criteria.⁵

* * *

SBIA thanks you for this opportunity to offer recommended solutions to improve SBA forms, enhance the quality, utility, and clarity of the information collected, and reduce burdens for SBICs so they can focus on their core mission of providing capital to American small businesses.

Sincerely,

A handwritten signature in blue ink, appearing to read "Brett Palmer".

Brett Palmer
President
Small Business Investor Alliance

⁴ Id.

⁵ For example, SBIA urges the SBA to remove the following elements from the following MAQ forms because the information collected exceeds the statutory scope of the Act’s enumerated criteria: (1) **Long Form**: (a) *Narrative* tab/Question 7.9 (*Responsible Investing and Non-Discrimination Policies and Practices*); (b) *Attachment* checklist/Items #8-9 (*ESG and DEI policies*); (c) *Small Business Impact* tab/delete columns Q-AF (requesting gender/ethnicity/race data on portfolio companies). (2) **Subsequent Fund**: (a) *Narrative* tab/Question 7.7 (*Responsible Investing and Non-Discrimination Policies and Practices*); (b) *Attachment* checklist/Items #6-7 (*ESG and DEI policies*); (c) *Small Business Impact* tab/delete columns Q-AF (requesting gender/ethnicity/race data on portfolio companies).