

United States House of Representatives
Committee on Financial Services
2129 Rayburn House Office Building
Washington, D.C. 20515

March 27, 2025

The Honorable Howard Lutnick
Secretary of Commerce
U.S. Department of Commerce
1401 Constitution Avenue, NW
Washington, D.C. 20230

Dear Secretary Lutnick:

We are writing in profound concern regarding the March 14, 2025, executive order that aims to eliminate non-statutory components of several federal agencies, including the Minority Business Development Agency (MBDA).¹ This action represents yet another unlawful and dangerous attempt to undermine a congressionally-established institution vital to our nation's economy.

The MBDA's impact is demonstrable and significant. Through its nationwide network of business development centers, the agency provides essential technical assistance, advocacy, and research for Minority Business Enterprises (MBEs). Under the Biden Administration, the network of MBDA business centers helped minority businesses secure over \$2.6 billion in contracts and \$1.5 billion in capital, while creating and retaining more than 23,000 jobs.² MBDA programs and business centers provide critical business support including, \$11.6 million in funding to rural areas and \$110.6 million to red states. Our country's economy cannot thrive without small businesses, and we saw that more than ever during the COVID-19 pandemic, particularly with minority-owned small businesses who struggled to access Payment Protection Program loans to keep their doors open.

The March 5, 2024, Texas federal court ruling that the MBDA could no longer consider race or ethnicity when determining program eligibility strengthens the case for maintaining the agency.³ This ruling has already reshaped how the MBDA operates, allowing it to serve entrepreneurs from all backgrounds while maintaining its vital economic development mission. Dismantling the agency now would eliminate resources that benefit all American entrepreneurs seeking to overcome market barriers, regardless of their background. What is most concerning about this executive order is its directive that "such entities shall reduce the performance of their statutory functions and associated personnel to the minimum presence and function required by law." It demonstrates a fundamental misunderstanding, or deliberate disregard, for how federal agencies like the MBDA actually function and serve our communities.

¹ The White House, [Continuing the Reduction of the Federal Bureaucracy](#) (Mar. 2025).

² MBDA, ["2024 Year in Review: Letter from Deputy Under Secretary of Commerce for Minority Business Development Eric Morissette"](#) (accessed Mar. 19, 2025).

³ The Congressional Research Service, "District Court Ruling on MBDA Business Development Program" (Mar. 25, 2024).

Mr. Lutnick, we find it deeply troubling that neither you nor any senior Department of Commerce official has taken the time to meet with MBDA leadership to gain firsthand understanding of the agency's essential role in strengthening our nation's small businesses. Without such engagement, there is simply no way for you to make an informed decision about which functions of the MBDA are truly essential, putting at risk critical services that businesses across America depend upon.

Statutory Functions

The MBDA was formally codified by the Minority Business Development Act as part of the Infrastructure Investment and Jobs Act.⁴ This legislative action was a bipartisan recognition of the agency's critical importance to our national economic infrastructure. The law explicitly established several core statutory functions that the MBDA is mandated to fulfill:

- The **MBDA Business Center Program** is central to the agency's mission, providing technical assistance and business development services through 38 business centers nationwide.⁵ These centers—located in red and blue states—serve as vital lifelines for entrepreneurs who might otherwise lack access to resources necessary for growth and sustainability.
- The **MBDA's Research and Data Collection** responsibilities include analyzing data related to the success or failure of businesses and conducting research on economic conditions affecting these enterprises. This includes mandatory Biennial Reports that provide crucial insights for policymakers and business leaders.
- The **Information Clearinghouse** function establishes and maintains a repository for demographic, economic, financial, managerial, and technical data pertinent to businesses, in order to increase accessibility for business owners and researchers who might otherwise face significant barriers to obtaining such information.
- Additionally, the **Annual Diverse Business Forum** conducted by the MBDA assesses capital formation challenges and opportunities for businesses, and aims to promote dialogue and solutions that benefit our entire economy.

We were alarmed to learn that as of March 21, 2025, all MBDA personnel have been placed on administrative leave. Mr. Lutnick, this executive order cannot and does not supersede the statutory mandates established by Congress. We demand that you immediately reinstate these employees so that they can continue the work that Congress required them to do. Your department must prioritize upholding the Minority Business Development Act rather than overreaching in compliance with an executive order that contradicts established law. We urge you to demonstrate your commitment to both the rule of law and American entrepreneurship by restoring the MBDA's operations without delay.

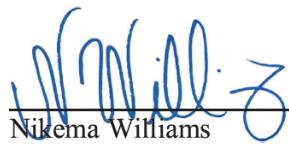
Sincerely,



Maxine Waters
Ranking Member, Committee on
Financial Services

⁴ The Congressional Research Service, [“The Minority Business Development Agency: An Overview of Its History and Programs”](#) (Jun. 6, 2024).

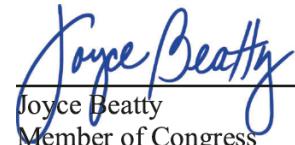
⁵ *Ibid.*



Nikema Williams
Member of Congress



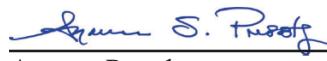
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