

United States Senate

May 4, 2020

The Honorable Jovita Carranza
Administrator
Small Business Administration
409 Third Street, SW, Suite 7900
Washington, DC 20416-2230

The Honorable Steven T. Mnuchin
Secretary of the Treasury
U.S. Department of the Treasury
1500 Pennsylvania Avenue NW
Washington, D.C. 20220

Dear SBA Administrator Carranza and Secretary Mnuchin:

We write to express concern over the administration of the Small Business Administration (SBA) economic injury disaster loan (EIDL) program in response to the 2019 Novel Coronavirus (COVID-19) outbreak. Small businesses and non-profits that have shut down to protect the public's health are relying on access to financial relief to survive. Congress has given the SBA funds and authority to administer the Paycheck Protection Program (PPP) and EIDL program to provide this financial relief. Both of these programs are important, and indeed for many small businesses and nonprofits, the programs are complementary and help meet different needs.

However, we are deeply concerned that the SBA is not administering EIDLs with the swiftness and transparency that Congress intended and the current economic crisis demands. After reviewing the data that the SBA released on April 24, it is clear that the administration is far behind in delivering the amount of aid that Congress intended. Reports from constituents in our states also indicate that the SBA is simply taking too long to get funds to applicants and is failing to provide applicants, who are under immense stress to pay employees and overhead costs, useful information that would help them plan for their future. Every day, we hear from constituents who applied for these loans that they have not heard anything useful about the status of their loan or they have received an advance but no further update on their loan. Our constituents need better answers.

We are also concerned that the SBA is not broadly accepting new applications for EIDLs, despite the additional funding provided in the *Paycheck Protection Program and Healthcare Enhancement Act* (P.L. 116-139). The law provides \$50 billion for EIDLs and \$10 billion for emergency advances, and expanded eligibility for farmers. The \$50 billion in funding should support an estimated \$360 billion in loans, yet the SBA is not broadly accepting new applications for these funds. We note that the SBA announced just today that it would begin accepting new applications on a limited basis only, in order to provide relief to agriculture businesses. While we are glad to see the SBA moving ahead with relief for farmers, as required by the recently passed law, we remain troubled that the SBA is not taking new applications from all other small businesses.

We understand that SBA is still working through its current backlog of applications, but we are concerned that SBA may decide not to accept any new applications or will take so long that these loans will no longer be useful to applicants. This delay runs counter to the new law and Congress's intention to provide relief as quickly as possible to more small businesses and nonprofits.

To provide transparency into the SBA’s administration of the EIDL program, we respectfully request that you provide answers to the following questions by May 11, 2020:

1. What are the reasons behind the delay in processing loans already in queue?
2. When will the SBA begin accepting new applications?
3. Why did the SBA choose to delay accepting new applications after additional funds were provided through the *Paycheck Protection Program and Healthcare Enhancement Act*?
4. How much money in new loan funds does the SBA estimate will be made available as a result of the new \$50 billion in appropriations?
5. Does the SBA need additional resources and staff to process EIDL grant and advance applications in timely manner? If so, what additional resources and staff are needed?
6. What is the SBA’s plan to release more information to applicants and the public on the processing of EIDLs?

Given the urgency of the situation, we request answers to these questions and action on these matters as quickly as possible. We also look forward to additional data releases from the SBA to allow the public to better track the administration of EIDL—including but not limited to loan processing times, amounts, and rates of approval.

Thank you for your attention to these important issues.

Sincerely,

BRIAN SCHATZ
U.S. Senator

CATHERINE CORTEZ MASTO
U.S. Senator

KAMALA D. HARRIS
U.S. Senator

MICHAEL F. BENNET
U.S. Senator

DOUG JONES
U.S. Senator

RON WYDEN
U.S. Senator

SHELDON WHITEHOUSE
U.S. Senator

CHRIS VAN HOLLEN
U.S. Senator

PATRICK LEAHY
U.S. Senator

TAMMY DUCKWORTH
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CORY A. BOOKER
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RICHARD BLUMENTHAL
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