

April 2, 2020

The Honorable Steven T. Mnuchin
Secretary
Department of the Treasury
1500 Pennsylvania Avenue NW
Washington, DC 20220

The Honorable Jovita Carranza
Administrator
U.S. Small Business Administration
409 3rd Street SW
Washington, DC 20416

Dear Secretary Mnuchin and Administrator Carranza,

I write to you today about the crucial provisions of the Coronavirus Aid, Relief, and Economic Security (CARES) Act and their implementation. Small businesses across the country, especially in the Kansas Third District, are suffering from necessary public health measures put in place to combat the coronavirus outbreak. The CARES Act provides desperately needed resources for affected small businesses, which must be implemented immediately and without government red tape. Failing to do so will have enormous consequences.

The CARES Act provided \$20 million to the Small Business Administration (SBA) expressly to administer critically needed disaster loans. It also enacted needed changes to SBA loan programs to expand eligibility and provide a lifeline to small businesses struggling to keep their doors open. I recognize that this will mean exponential growth in demand of SBA resources and assistance, but it is imperative that these programs function smoothly and efficiently in a time of national crisis. The CARES Act includes \$675 million for SBA salaries and expenses to ensure that the agency is capable of handling a dramatic increase in demand for its services.

As these laws are implemented, I am very concerned about SBA and lending partners having the resources they need to properly respond to the urgent requests from our small businesses. I ask that you provide answers to the following questions about ongoing implementation of these laws and anticipated challenges.

1. How is SBA preparing to rapidly expand its capacity to release Economic Injury Disaster Loans (EIDL)?
2. What logistical problems has the EIDL program experienced already, and how are those issues being mitigated as the CARES Act expands eligibility for those loans?
3. How are 7(a) lending partners being prepared to accommodate enormous increases in demand through the Paycheck Protection Program (PPP)?

4. Tribal entities with fewer than 500 employees are among the groups not typically eligible for 7(a) loans that the PPP has expanded eligibility to for these extraordinary circumstances. How are lending partners being prepared to accommodate these new borrowers?
5. How are verification requirements being adjusted to expedite loan approvals while also preventing fraud and abuse?
6. What future issues do you foresee with the expansion of these programs?

Thank you for your consideration of these important questions. I understand the difficulty of expanding these programs on a short timetable, but a clear and efficient rollout of these changes is vital to the health of our local economies. These programs are an invaluable resource to small business across the country in a time of great need, and I look forward to working with you to provide for them in this crisis.

My Warmest Regards,



Sharice L. Davids
Member of Congress