

Congress of the United States
Washington, DC 20515

April 3, 2020

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

The Honorable Steven T. Mnuchin
U.S. Department of the Treasury
1500 Pennsylvania Ave NW
Washington, DC 20220

Dear Administrator Carranza and Secretary Mnuchin:

As the Paycheck Protection Program goes into effect today, we write to acknowledge the commitment of you and your staff to helping small businesses impacted by the economic downturn caused by COVID-19. We urge you to continue working to issue guidance that provides clear direction to banks, credit unions and other lenders who wish to participate in the program. It is vital that these entities are confident in their ability to distribute these resources to small businesses that desperately need them as quickly as possible.

As you know, the Coronavirus Aid, Relief, and Economic Security (CARES) Act allocates roughly \$377 billion in desperately needed economic assistance for small businesses impacted by the coronavirus outbreak. These resources include the Paycheck Protection Program, which will provide nearly \$350 billion in government-backed loans to small businesses and would allow the loans to be forgiven if borrowers continue to pay their employees.

Participating banks and credit unions will be tasked with processing millions of loan applications and distributing funds to small businesses across the country. Unfortunately, several lenders have delayed their participation in the Paycheck Protection Program, expressing concern that the Administration has not provided the necessary guidance on how this program will be administered. The desired impact of this program – to help small businesses weather this current public health and economic emergency – must not be hindered as potential borrowers complete an application only to have it denied or remain in processing while a lender waits for additional guidance.

Banks, credit unions and other lenders require clarity on their expectations for supporting Paycheck Protection Program loans to ensure that resources are provided to small businesses as quickly as possible. This includes information on timing of loan processing and disbursement, flexibility on potential technical errors or mistakes on paperwork, the likelihood of potential delays on underwriting and processing and the extent to which loans are truly guaranteed. As this program is rolled out, the Administration must stand ready to anticipate, adjust and resolve potential problems in order to ensure efficient and effective utilization of this important loan program.

The Paycheck Protection Program stands to provide immediate relief to small businesses so that they can remain operational despite economic losses caused by the coronavirus pandemic. Therefore, we urge your agencies to ensure information and guidance is expeditiously provided to support the ongoing roll-out of this vital lending program.

Thank you for your attention to this critical issue, and we look forward to continuing to work with both of you in the days and weeks ahead to provide relief for our nation's small businesses and their workers.

Sincerely,



Jeanne Shaheen
United States Senator



Margaret Wood Hassan
United States Senator



Ann McLane Kuster
United States Representative



Chris Pappas
United States Representative