

Congress of the United States
Washington, DC 20515

April 7, 2020

The Honorable Steven Mnuchin
Secretary
U.S. Department of Treasury
1500 Pennsylvania Avenue N.W.
Washington, D.C. 20220

The Honorable Jovita Carranza
Administrator
U.S. Small Business Administration
409 3rd Street S.W.
Washington, D.C. 20416

Dear Secretary Mnuchin and Administrator Carranza:

Thank you for your swift action to implement the Paycheck Protection Program (PPP) within just one week of its creation by Congress in the bipartisan *CARES Act* to expedite financial assistance to small businesses that are struggling due to the coronavirus (COVID-19) crisis. We are grateful for the around the clock effort it has taken to get this program up and running, however, the rapid development of this new program has resulted in some unanticipated challenges for lenders and borrowers, which are delaying access to these critical resources. We write today to urge you to continue working with lenders to address these challenges and ensure that PPP loans can be issued as quickly and efficiently as possible.

The unprecedented nature of the COVID-19 crisis' effect on our small businesses required quick action to ensure they can survive this crisis. We've heard from countless lending institutions – including community bankers and credit unions –that have already started issuing PPP loans to support the small businesses that employ a majority of the workers in our communities. We appreciate that, at the time we are writing this letter, lenders around the country have already issued more than 124,000 PPP loans, infusing roughly \$36 billion back into Main Streets across America.

However, we also recognize that as a consequence of this rapid deployment many lenders and borrowers have experienced challenges that are complicating their participation in this critical program. As your agencies continue to implement the PPP, we request you urgently consider the following recommendations to improve the program for lenders and borrowers alike:

- **Improve the operability of the loan application system, known as E-Tran.** On several occasions, the E-Tran system has been slow or unresponsive when lenders attempt to access the system. Given the high demand for finite funds, lenders and their clients are concerned that a delay in access will put them at a distinct disadvantage. We encourage your agencies work to grow the capacity of the E-Tran system so that it can handle the large demand for new PPP loans.
- **Issue additional guidance to improve clarity for lenders.** While we appreciate the guidance issued thus far, lenders have made it clear that gaps persist for issues like loan structure, documentation requirements, and service fee collection. We urge you to work

quickly to update and refine guidance for lenders to help them better serve their clients and communities.

- **Enhance responsiveness to lenders and borrowers.** We understand that your agencies have received an overwhelming amount of outreach from small business owners and lenders who are eager to participate in this program but have outstanding questions about how to access these resources. We believe that improving the existing guidance, as described above, will help address many of the most commonly asked questions, but local SBA offices will continue to receive a high volume of inquiries about unique circumstances that cannot be clearly addressed through general guidance. We request the agencies work to expand staffing at local SBA offices and create a dedicated online system to be able to quickly respond to unique questions from lenders and borrowers.

Finally, we recognize that the unprecedented demand for PPP loans is projected to well exceed the \$350 billion that Congress originally appropriated for this program over the coming days or weeks. Additionally, the evolving guidance and projections regarding the anticipated duration of our nationwide social distancing measures suggest that many small businesses will require more than eight weeks of payroll support as currently allowed under the CARES Act. We are working on legislation to add additional funding and extend the duration of the Paycheck Protection Program to ensure that all small businesses can access PPP loans for the full length of this public health crisis.

We are eager to work with you to expand lending capacity and improve access to the program for borrowers and lenders so that every small business we represent can access the resources they need. Thank you for considering our requests, and we look forward to your response.

Sincerely,



Jaime Herrera Beutler
Member of Congress



Derek Kilmer
Member of Congress