

**Congress of the United States**  
Washington, DC 20515

April 7, 2020

Steven Mnuchin  
Secretary,  
U.S. Department of Treasury  
1500 Pennsylvania Ave. NW  
Washington, D.C. 20220

Jovita Carranza  
Administrator,  
Small Business Administration  
409 3rd Street SW, Floor 2  
Washington, D.C. 20416

Dear Administrator Carranza and Secretary Mnuchin,

We write to express our deep concern with the incomplete guidance and insufficient communication to small businesses and small banks seeking to access the Paycheck Protection Program of the CARES Act. We request that the Small Business Administration (SBA), in Coordination with the U.S. Department of the Treasury, establish a hotline for financial institutions and borrowers seeking to access the Paycheck Protection Program. Further, we request that the SBA and Treasury provide an immediate briefing to members of Congress to directly respond to questions our offices have received in implementation shortcomings and address our enclosed questions.

While we appreciate that both the resources and energy of the SBA and Treasury are being stretched in this time of crisis, it is imperative that your agencies work to swiftly and effectively implement all aspects of the CARES Act. Title I Section 1102 of the CARES Act, the Paycheck Protection Program (PPP), was established to offer a lifeline to small business by way of a highly concessionary loan program. While your agencies have worked aggressively to address some of the outstanding questions to some financial institutions, many of the smaller financial institutions and businesses within our district seeking to leverage this program have found themselves unable to receive enough guidance to implement a loan product or access the program. As a result of this, small businesses may be forced to lay off their workforce during the coronavirus (COVID-19) pandemic—precisely the effect this provision of law sought to prevent. Our offices have received several calls from small banks frustrated that SBA personnel were not responding to their calls. Further, our own staff have faced major obstacles connecting with anyone at SBA on these important issues. To that end, we request the SBA respond to the following questions:

- Small financial institutions are fearful that program funds will be depleted before loans are finalized and concerned about what would happen to those customers and their financial institutions.

- Will SBA guarantee loans to small banks if funds are depleted before loans are finalized?
- What is SBA's guidance to small banks on this point?
- What is the SBA's timeline for enrolling non-SBA certified lenders into the Paycheck Protection Program?
- How is SBA doing outreach to small businesses like barbershops and non-profits and other firms that may not be aware of their eligibility to ensure they are not permanently shuttered?

Our offices, as well as a number of other Congressional offices, have been inundated with calls and inquiries from small businesses and banks as they have been locked out from access to the SBA. Their inquiries are similar to numerous questions and concerns sent to the Administration by major small business associations. In an April 4<sup>th</sup> White House briefing, President Trump referred to the execution of the Paycheck Protection Program as "flawless" raising major questions about whether or not the Administration is hearing the implementation concerns of businesses and banks. It is imperative that a hotline is established for small businesses and banks to respond to their questions. They must understand how to implement this program if it is ever to be effective. Additionally, the SBA and Treasury should provide all members of Congress a briefing so that we may most effectively communicate to our constituents how this program is being implemented.

Thank you for your attention on this important issue.

Sincerely,



Emanuel Cleaver, II  
Member of Congress



Wm. Lacy Clay  
Member of Congress