

Congress of the United States
House of Representatives
Washington, D.C. 20515

April 10, 2020

Mr. Michael L. Corbat
Chief Executive Officer
Citigroup
399 Park Avenue
New York, NY 10043

Mr. Brian T. Moynihan
Chairman and Chief Executive Officer
Bank of America
100 North Tryon Street
Charlotte, NC 28255

Mr. James Dimon
Chairman and Chief Executive Officer
JP Morgan Chase & Co.
383 Madison Avenue
New York, NY 10179

Mr. Charles W. Scharf
Chief Executive Officer
Wells Fargo & Company
420 Montgomery Street
San Francisco, CA 94104

Mr. Corbat, Mr. Dimon, Mr. Moynihan, and Mr. Scharf:

In these trying times, many Americans will be seeking assistance from your banks through the Paycheck Protection Program (PPP) established by Congress under the Coronavirus Aid, Relief, and Economic Security (CARES) Act. The program is designed to be a life-line to small businesses in the form of forgivable loans—loans for businesses to keep workers employed and to cover other basic operational expenses, including rent and utilities. It is unfortunate that the initial rollout of the program by the Small Business Administration (SBA) and the Department of the Treasury has caused confusion for small business owners seeking these funds. For example, we are aware of significant technical problems with SBA’s loan application system,¹ a lack of clarity concerning which lenders small businesses can apply to,² and shifting guidance that has not resolved core questions, such as which costs the forgivable loans will cover.³

Nonetheless, we are troubled by concerns expressed by small business owners that megabanks are favoring certain customers and shutting out others.⁴ We expect each of you to make a commitment that your institutions will do all you can to help consumers and small businesses. Let us also be clear that as Congress discusses expanding the funding to the Paycheck Protection Program, we will be working to ensure that community financial institutions, including community banks, credit unions, minority depository institutions (MDIs), Community Development Financial Institutions (CDFIs), certified development corporations (CDCs), and microlenders are also able to participate

¹ Zachary Warmbrodt, “Small business loan program stumbles as SBA system crashes,” Politico (Apr. 6, 2020), <https://www.politico.com/news/2020/04/06/small-business-loan-program-system-crashes-169614>

² Li Zhou, “Many small businesses are being shut out of a new loan program by major banks,” Vox (Apr. 7, 2020), <https://www.vox.com/2020/4/7/21209584/paycheck-protection-program-banks-access>

³ *Id.*

⁴ Ruth Simon and Peter Rudegeair, “Big Banks Favor Certain Customers in \$350 Billion Small-Business Loan Program,” Wall Street Journal (Apr. 6, 2020), <https://www.wsj.com/articles/big-banks-favor-certain-customers-in-350-billion-small-business-loan-program-11586174401>

and deploy PPP funds to ensure all small businesses, including minority-owned businesses, have access to this critical program.

As your participation in the program moves forward, we would appreciate periodic updates on the following PPP implementation and other pandemic recovery efforts, including, but not limited to:

1. Total number of loan applications, total dollar amount of loans, and a breakdown of loans by size
2. Total number of loan applications that have been approved, and the total dollar amount of funds delivered to small businesses.
3. Average loan processing time for existing and new customers; that is, from application to delivery of funds.
4. A description of how your institutions may be prioritizing some loan applicants over others.
5. A description of any conditions your banks may be placing on small business owners before approving a PPP loan, such as accelerating an outstanding business loan the entity may have.
6. Demographic information regarding the businesses applying and being approved for loans, including minority-owned businesses, non-profits, churches, independent contractors and small family farms.
7. A description of steps your banks are taking to collaborate with the Minority Business Development Agency and other organizations to ensure there is awareness and assistance for minority-owned businesses to apply.
8. A description of how much and what kinds of assistance is being provided to loan applicants beyond the funds, including educational materials, telephone hotlines, language assistance or other means to help those who wish to apply but may not have access to the Internet to learn how to apply.

These updates would be helpful to our Committees to ensure there is sufficient transparency and accountability for how the PPP is being implemented and to ensure lenders are operating consistent with the purpose of the program as Congress intended. Please provide an initial written response to the information we've requested by April 15, 2020.

Sincerely,



MAXINE WATERS
Chairwoman
House Committee on Financial Services



NYDIA M. VELÁZQUEZ
Chairwoman
House Committee on Small Business