

United States House of Representatives
Committee on Financial Services
2129 Rayburn House Office Building
Washington, D.C. 20515

April 1, 2020

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

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

Secretary Mnuchin and Administrator Carranza:

The coronavirus disease 2019 (COVID-19) pandemic continues to inflict significant harm on the American people, including workers, consumers, investors, and the broader economy. As you know, Congress recently enacted a third emergency package in response to this crisis that, among other things, authorizes the Small Business Administration (SBA), in coordination with the Department of the Treasury, to administer \$349 billion in funds to help small businesses maintain their workforce through a Paycheck Protection Program (PPP), and to ensure this program's success, I urge you to take immediate steps to ensure all financial institutions can participate.

The law provides your two agencies to allow lenders who are not SBA-certified to participate in the PPP.¹ I understand there are a number of depository institutions, including community banks, credit unions, minority depository institutions, and Community Development Financial Institutions (CDFIs) that are not currently SBA-certified lenders, but would like to participate to help their local small businesses. These lenders are critical to the recovery process because they will add market capacity, expand reach, and specifically provide support to diverse communities and minority-owned businesses with whom they have already committed to serve.

The Treasury Department recently released several guidance documents for borrowers and lenders: one fact sheet indicates all federally insured banks and credit unions are eligible to participate, but if they are not already an SBA-certified lender, they need to submit an application to the SBA and get approved² and another fact sheet urges lenders to go to SBA's website and coronavirus.gov.³ However, after reviewing these websites as well as guidance documents released, my staff has been unable to find any further guidance or relevant application forms for lenders who want to participate in the PPP. This is unacceptable.

¹ See Sections 1102 and 1109 of H.R. 748, the Coronavirus Aid, Relief, and Economic Security (CARES) Act (P.L. 116-136), <https://www.congress.gov/bill/116th-congress/house-bill/748/text>.

² U.S. Department of the Treasury, "Paycheck Protection Program (PPP) Information Sheet – Lenders," (last accessed April 1, 2020), <https://home.treasury.gov/system/files/136/PPP%20Lender%20Information%20Fact%20Sheet.pdf>.

³ U.S. Department of the Treasury, "Small Business Paycheck Protection Program," (last accessed April 1, 2020), <https://home.treasury.gov/system/files/136/PPP%20--%20Overview.pdf>

Given that your agencies have asked small businesses to reach out to their local depository institutions to see if they are participating and to begin applying this Friday, April 3, 2020, your agencies must take immediate action to ensure all lenders that want to participate have an efficient ability to do so.

Sincerely,

A handwritten signature in blue ink that reads "Maxine Waters". The signature is written in a cursive, flowing style.

MAXINE WATERS
Chairwoman