

United States Senate

April 5, 2020

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

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

Dear Secretary Mnuchin and Administrator Carranza:

Thank you for your ongoing efforts to rapidly implement new U.S. Small Business Administration (SBA) Coronavirus relief programs to help small businesses who are hurting around our country.

Congress recently passed, and the President signed into law, the *Coronavirus Aid, Relief, and Economic Security (CARES) Act*, which includes new assistance for small businesses. Last week, I fielded numerous concerns from Florida's small business-owners regarding the rollout of one of these new efforts, the Paycheck Protection Program, which began on April 3, 2020.

I am receiving reports of small businesses who are simply unable to begin applying for Paycheck Protection Program loans from their financial institutions. Some financial institutions appear to be requiring unrelated products to apply for a loan, and other small business owners reported getting conflicting information as to when and how they could start their applications. I have also spoken with lenders, who expressed significant concerns with the lack of guidance, including the documentation necessary to substantiate each loan.

I am writing to ask for clarity and understanding on how the Treasury and SBA will be handling these outstanding issues:

1. When will all the necessary forms and guidance be issued and made public for the Paycheck Protection Program so that all eligible small businesses and lenders can effectively and efficiently apply for and process these loans?
 - Lenders report that they are still lacking guidance and forms to get these companies the loans they need.

2. I have heard from Floridians, who are customers at both large and small banks, and are being told that they cannot access Paycheck Protection Program loans because they don't have existing business with the bank. Please confirm that there currently is not and will not be any requirements that small business applicants must have existing business, loans, or accounts with a lending institution in order to apply for a Paycheck Protection Program loan with that institution.
 - There are no requirements written into current law, and small businesses need assurances that the SBA or Treasury will not create new hurdles.
3. Please confirm that religious non-profits and churches are eligible to apply for Paycheck Protection Program loans.
 - The *CARES Act* is clear in its intent that churches and religious non-profits be included in this program.
4. Regarding the E-TRAN system, what plans are currently in place to ensure this system can handle and adapt to the new requirements and influx of applicants so that loans can be processed and approved efficiently and effectively?
5. Regarding the "affiliate rule," when will the Treasury and SBA issue guidance on how this will be applied under the Paycheck Protection Program?
 - Many non-profits and other types of small businesses have been put in a unique situation disallowing them from applying, and they need guidance now so they can access the Paycheck Protection Program (e.g., food bank non-profits with several chapters around the state can be affiliated together to total more than 500 employees).
6. On April 10, 2020, both independent contractors and self-employed individuals will be able to apply for the Paycheck Protection Program. Will Treasury and the SBA have the necessary guidance available to allow for a smooth rollout this week?

The answers to these questions are critical to the success of the Paycheck Protection Program and to the survival of many small businesses across our country. Thank you for your efforts to help those that are struggling, and I look forward to your reply. The timeliness of your response is critical - our businesses are hurting and need relief now.

Sincerely,



Rick Scott
United States Senator