

Congress of the United States

Washington, DC 20515

April 3, 2020

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

Dear Administrator Carranza:

We write to clarify congressional intent of Section 1110 of the *Coronavirus Aid, Relief, and Economic Security (CARES) Act* (Public Law 116-136), which expands eligibility for access to the U.S. Small Business Administration's (SBA) Economic Injury Disaster Loan (EIDL) program. Given the circumstances of this worldwide pandemic and absence of other typical disaster resources, Congress intended for farms and agricultural businesses suffering economic injury due to COVID-19 to be eligible for EIDL during the covered period.

The unprecedented nature of the novel coronavirus pandemic calls for flexibility to assist businesses across multiple sectors of our economy. In addition to small business concerns, private nonprofits organizations, and small agricultural cooperatives, Section 1110 of the CARES Act expands eligibility for EIDL to include businesses (including tribal businesses), cooperatives, and ESOPs with not more than 500 employees, or any individual operating a sole proprietor or and independent contractor during the covered period (January 31, 2020 to December 31, 2020).

Agricultural enterprises have historically been excluded from EIDL to prevent duplication and overlap with the U.S. Department of Agriculture's (USDA) disaster assistance programs. These businesses are, however, eligible for assistance under other SBA programs, including 7(a). Given the nature of this pandemic without a physical disaster footprint, USDA disaster assistance was not triggered and thus not available. As such, the law prescribes for agricultural entities encompassed under the expanded eligibility portion of the act to be able to apply for assistance under EIDL temporarily during the covered period.

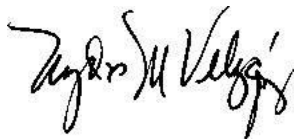
In line with this congressional intent, we ask that the SBA offer clear guidance for farms and agricultural businesses to access the EIDL in response to COVID-19. This would include updating the COVID-19 EIDL application eligible entity verification on the agency's website to prevent confusion and allow all intended entities access to EIDL.

Thank you for your prompt attention and action in response to this matter.

Sincerely,



Marco Rubio
Chairman
Senate Committee on
Small Business & Entrepreneurship



Nydia M. Velazquez
Chairwoman
House Committee on
Small Business



Steve Chabot
Ranking Member
House Committee on
Small Business