

United States Senate
WASHINGTON, DC 20510-0908

April 29, 2020

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

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

Dear Secretary Mnuchin and Administrator Carranza:

The recently signed *Paycheck Protection Program and Health Care Enhancement Act* (H.R. 266) allowed for the assistance provided through the Paycheck Protection Program (PPP) to resume and continue saving millions of jobs throughout our country. Now, more than ever, America's 30 million small businesses and the over 60 million individuals they employ, need access to the PPP. They also need access to the SBA's existing core lending programs, such as the regular 7(a) Loan Guaranty program, to stay afloat through this unprecedented crisis.

The 7(a) program provides flexible capital to businesses that cannot obtain credit elsewhere, serving as a lifeline for many small businesses before this crisis, and fulfilling a vital role in this economic emergency. The PPP stands on the foundation of the 7(a) program, which has allowed PPP to become operational quickly. Unfortunately, the *CARES Act* did not establish separate authorization caps for PPP and the 7(a) program. The 7(a) program was able to continue to operate after the PPP program expended its appropriated funds because the programs did not reach the statutory lending authority. However, in the most recent bill passed to fund the PPP, the 7(a) program would be unable to continue operating since separate authorization caps were not established and the amount appropriated in *H.R. 266* provides funding to commit the entire authorized amount to PPP loans, leaving no lending authority for 7(a). This lack of separate authorization caps, first in *CARES*, and carried through in *H.R. 266*, effectively voids the 7(a) loan program's FY 2020 \$30 billion authorization cap until July 1, 2020.

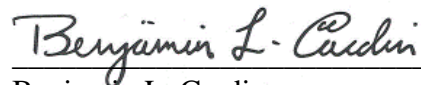
The high demand for PPP loans will lead to a swift expenditure of the new funds, given the severity of the crisis and need for small business relief. We urge the agencies to provide an immediate administrative fix to reserve part of the authorized amount for the 7(a) program. This will allow small businesses to access the capital they critically need for both SBA programs.

We thank you for your continued service on behalf of America's small businesses. We look forward to our continued partnership to help small businesses survive this economic hardship.

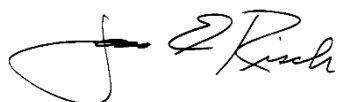
Sincerely,



Marco Rubio
Chairman
Senate Committee on Small Business
and Entrepreneurship



Benjamin L. Cardin
Ranking Member
Senate Committee on Small Business
and Entrepreneurship



James E. Risch
Member
Senate Committee on Small Business
and Entrepreneurship



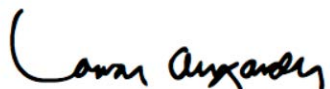
Christopher A. Coons
Member
Senate Committee on Small Business
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Marsha Blackburn
U.S. Senator



Edward J. Markey
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Lamar Alexander
U.S. Senator



Tammy Duckworth
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John Boozman
U.S. Senator



Jacky Rosen
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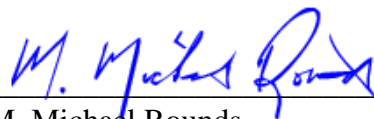
Kelly Loeffler
U.S. Senator



Deb Fischer
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M. Michael Rounds
U.S. Senator