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United States Senate

COMMITTEE ON SMALL BUSINESS & ENTREPRENEURSHIP
WASHINGTON, DC 20510-6350

TELEPHONE: (202) 224-5175 FAX: (202) 224-5619

April 27, 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:

Congress has acted to replenish funds for the Paycheck Protection Program (PPP), which provides forgivable loans to small businesses impacted, and in many cases shuttered, by the effects of the novel coronavirus. Thus far, the program has provided more than 1.6 million loans and saved the jobs of approximately 30 million Americans. I appreciate the work the SBA and Treasury have done to quickly implement the PPP and get much needed funds into the hands of struggling businesses. As the U.S. Small Business Administration (SBA) prepares to reopen the program, I urge you to ensure access to PPP for underserved communities.

Congressional intent of the program is for small business owners to have access to PPP loans through the lender of their choice, whether that lender is a large, regional, or community bank, a Farm Credit System lender, a Community Development Financial Institution (CDFI), minority depository institution, or other nonbank lender. The nonbank lenders participating in PPP help to expand access to small businesses that do not have a prior banking relationship, or who would like to apply for PPP through a smaller lender in their community.

In order to ensure access for undererved small businesses, I ask that you issue immediate guidance to significantly increase the level of participation of CDFIs and minority depository institutions by:

- 1) Setting aside \$2 billion of the \$30 billion set-aside for CDFIs and minority depository institutions;
- 2) Prioritizing the approval of CDFI and minority depository institutions as eligible lenders;
- 3) Reducing the prior lending volume requirement for these institutions;

- 4) Establishing safe harbors for these institutions in relation to compliance with the Bank Secrecy Act; and,
- 5) Outlining parameters for secondary market sales, and facilitating the sale of PPP loans to provide these institutions with the ability to recapitalize and continue making loans to small businesses, including the eligibility of such institutions to access liquidity through the Federal Reserve's PPP Lending Facility.

We have an immediate opportunity, with the addition of funds to the PPP, to provide a lifeline to hundreds of thousands more small businesses. We also have the opportunity to make sure that counted in those hundreds of thousands of businesses are those independent contractors, self-employed, and small businesses in underserved communities.

As the Chairman of the Senate Committee on Small Business and Entrepreneurship, I stand ready to work with you to ensure these opportunities are taken. Thank you for your attention to this important matter.

Sincerely,

A handwritten signature in black ink, appearing to read 'M. Rubio', written in a cursive style.

Marco Rubio
Chairman