

Congress of the United States  
House of Representatives  
Washington, DC 20515-4610

April 15, 2020

The Honorable Jovita Carranza  
Administrator  
U.S. Small Business Administration  
409 3<sup>rd</sup> Street SW  
Washington, DC 20416

Dear Administrator Carranza,

I write today to detail several concerns my constituents have shared with me regarding several Small Business Administration (SBA) programs designed to help small businesses during the COVID-19 pandemic. I have heard from hundreds of small businesses in my district that are struggling to access the funding they need to avoid layoffs or going out of business, and it is clear to me that much work remains to be done to ensure the SBA is doing as much as possible to help small businesses during this crisis.

I have been in constant contact with small businesses in my district throughout this emergency, and I conducted a survey between April 9 and April 13, 2020 to better understand their experiences with the SBA's two largest aid programs, the Economic Injury Disaster Loan (EIDL) program and the Paycheck Protection Program (PPP). 198 businesses responded to my survey, but, alarmingly, only 13 of them had received confirmation that their PPP loan had been approved, and only three of those businesses received funding from their lender. Not a single EIDL applicant received a response, confirmation, or funding from the SBA, which is especially troubling given that the Coronavirus Aid, Relief, and Economic Security (CARES) Act says EIDL Emergency Grant funds should be disbursed within three days of a small business applying for assistance.

I understand that the implementation of multiple programs of this magnitude in a matter of days cannot be expected to be perfect, and I recognize the hard work that SBA staff are doing to disburse these funds and provide guidance to local lenders. However, time is of the essence in this unprecedented crisis, and every day that a small business owner does not receive funding is one day closer to them being forced to lay off a valued employee, miss a payment, or shutter their business entirely. Small businesses have been hearing from the Trump administration that immediate help is on the way, but the reality is that many of these businesses are waiting weeks for funding that was promised to be delivered within days. I urge the SBA to do everything possible to speed up this process and to communicate with Congress if they are lacking resources that would help them to do so.

On April 13, 2020, I also held a town hall meeting for small business owners in my district alongside SBA Washington Metropolitan Area District Director Antonio Doss. I am very grateful for Director Doss's participation in my town hall, and I and many of my constituents found his guidance and expertise to be very useful in navigating the types of assistance currently available to small businesses. However, I was disappointed by the lack of thorough answers to several questions I asked on behalf of my constituents, and I am requesting additional information regarding the following questions:

1. What steps is SBA taking to reduce the turnaround time for EIDL emergency grants, which by statute are supposed to be disbursed within three days of the EIDL application?
2. What steps is SBA taking to ensure that applicants to the PPP and EIDL programs receive prompt notification that their applications have been received, approved, or denied?

3. Will SBA issue guidance allowing businesses who continue to pay their employees while waiting for a PPP loan to be approved to use PPP funds for wage payments that have already been made?
4. What steps is SBA taking to issue guidance to small lenders so that they can participate in the PPP?
5. Will independent contractors and 1099 employees be counted as employees for the purposes of the EIDL emergency grants?

Any additional clarification or guidance you can provide on these questions would be greatly appreciated to ensure that small businesses and small business lenders have the resources and information they need to efficiently apply for, approve, and disburse this emergency funding. I thank you for your work on behalf of small businesses across the country during this crisis and look forward to your response.

Sincerely,



Jennifer Wexton  
Member of Congress