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Congress of the United States
House of Representatives
Washington, DC 20515-2302

April 8, 2020

Administrator Jovita Carranza
U.S. Small Business Administration
409 3rd St, SW.
Washington DC 20416

Secretary Steve Mnuchin
U.S. Department of the Treasury
1500 Pennsylvania Avenue, NW
Washington, D.C. 20220

Dear Administrator Carranza and Secretary Mnuchin,

I am writing today to share concerns regarding the implementation of the Paycheck Protection Program (PPP). Millions of Americans are depending on this historic and essential program and all efforts must be taken to ensure these forgivable loans are distributed as quickly as possible.

I have spoken to a number of Small Business Administration (SBA) approved lenders in my Congressional District, and they have expressed grave concern that their balance sheets are not equipped to handle the demand for PPP loans. Banks that are experienced in issuing a handful of SBA loans per year are being inundated with loan applications, and they do not have the necessary liquidity available.

Given the unprecedented nature of this crisis, as well as the SBA guarantee behind these loans, it is essential that the Federal Reserve increase liquidity while allowing our local banks to continue to service these loans. To that end, on April 6th, the Federal Reserve announced that it would establish a facility to capitalize lending institutions, with PPP loans as collateral, and on April 9th, released additional information about this program. The Fed indicated that it would extend credit to eligible financial institutions that originate PPP loans, taking the loans as collateral at face value.

Treasury must now provide immediate and comprehensive guidance to SBA lenders on how this facility will work so they can resume lending to the small businesses who are in desperate need at this time.

Additionally, I am concerned about the lack of data regarding PPP lending that has been shared with the House Committee on Small Business and Congress generally. I respectfully request clarity on the following questions, and to the extent this information can be made public, urge Treasury to post this information online or in another easily accessible format:

- 1) How many loans have been approved nationally, and how many of these are within Minnesota and/or my Second Congressional District?
- 2) Have any loans been disbursed? If so, how much has been disbursed and similarly, within Minnesota and/or my Second Congressional District?
- 3) What are the demographics of the applicant pool? Those who have been approved? National and statewide data would be particularly useful.

It is essential that we have access to this data as we move forward with supplemental rescue packages.

Finally, I have heard concerns from small businesses and local lending institutions about general uncertainty regarding the PPP. I have read reports of mixed messaging from SBA regarding the mechanism for calculating interest on loans, and banks have reported that issues as simple as what documents are necessary for approval, or how the SBA guarantee of the loan will apply to missed payments are clouded in uncertainty, reducing their ability to issue these loans immediately. I understand that this program is unprecedented and is being implemented in a very short timeframe, but I am concerned that these missteps will undermine the program's effectiveness during a great time of need.

I appreciate your efforts to swiftly implement the PPP and await your timely response.

Sincerely,



Angie Craig
Member of Congress