

April 6, 2020

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

The Honorable Jovita Carranza
Administrator
U.S. Small Business Administration
40 3rd Street, S.W.
Washington, D.C. 20416

Dear Secretary Mnuchin and Administrator Carranza,

I am grateful for your work in implementation of the CARES Act and the Paycheck Protection Program (PPP). I have been in close contact with many Georgia businesses as they try to take advantage of the relief and have identified obstacles they have encountered throughout the process. Many issues have emerged that require additional guidance from the Department of Treasury and the Small Business Administration. I have detailed many of these issues below and look forward to your response.

Areas that Treasury and the Small Business Administration need to address quickly include:

- 1. Conflicts with State-Level Mandates.** Many Georgia businesses are struggling to adhere to both the forgiveness stipulations of the Paycheck Protection Program and state-level mandated closures. Many businesses in Georgia laid off their employees as a result of forced state closures and helped those employees' transition to unemployment insurance. Those same businesses, if awarded the Paycheck Protection Loan, would be unable to rehire employees as long as state mandated closures continue. These employers should not be disqualified from participating in the program due to the nature of their business and state-level requirements to remain closed.
- 2. Banks Prioritizing Existing Relationships.** Many businesses in Georgia and across the nation have been turned away from banks who are prioritizing existing banking relationships. Guidance should be issued that reassures small businesses that rejection from any such bank does not imply ineligibility for the program, and should encourage those rejected by such banks to seek alternative lenders.
- 3. Application Standardization.** As Georgia businesses have engaged with SBA-certified lenders, they have often been asked to provide different supporting documentation for their application than what the SBA website required. Lenders need specific guidance as to exactly what forms of supporting documentation is necessary for the PPP application, and Treasury should issue guidance to standardize applications across lenders.
- 4. Loan Approval Timeframe.** Many banks have indicated that the turnaround for PPP applications could take as long as two to three weeks. Unfortunately, for many businesses

this is too long for them to be able to survive and keep employees off unemployment. Guidance should be issued to limit as much as possible the approval timeframe from application submission to decision.

5. **SBA Action on E-TRANS System.** Following the issues lenders had with the E-TRANS system, what steps has SBA taken to address the problems in regards to security?

Providing additional guidance and resources on the issues outlined above would provide tremendous relief to businesses and lenders alike. This relief is absolutely critical to the survival of these businesses. I look forward to your response on how these issues might be addressed.

Sincerely,

U.S. Senator Kelly Loeffler