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**United States Senate**  
COMMITTEE ON BANKING, HOUSING, AND  
URBAN AFFAIRS

WASHINGTON, DC 20510-6075

GREGG RICHARD, STAFF DIRECTOR  
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April 23, 2020

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

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

Dear Secretary Mnuchin and Administrator Carranza:

Ohio small businesses are resilient, but they are suffering from the economic fallout of the novel coronavirus (COVID-19) pandemic. In response to the economic consequences of COVID-19, Congress provided substantial resources for small businesses with the Coronavirus Aid, Relief, and Economic Security (CARES) Act. Today, Congress will pass the Paycheck Protection Program and Health Care Enhancement Act to increase funding for the Paycheck Protection Program (PPP), Economic Injury Disaster Loans (EIDL), and emergency EIDL grants.

Congress established the Paycheck Protection Program (PPP) so that small businesses have additional resources to retain and pay their employees. My conversations with small business owners across Ohio make clear that they urgently need federal support and certainty for their businesses. While additional dollars are critical, funding alone will not address the program's shortcomings. Because of the program's first-come-first serve funding structure, small businesses are encountering difficulties finding a lender or meeting their lender's requirements to participate; they are struggling to understand the Administration's guidance; and they are having difficulty finding someone to answer their questions—sometimes waiting on the phone for hours to connect with an SBA employee, if they connect at all. These challenges are preventing businesses from applying for or receiving a loan.

Congress also established a new emergency Economic Injury Disaster Loan (EIDL) grant. EIDL loans provide greater flexibility than PPP loans so that businesses can cover operating expenses. Congress created the emergency EIDL advance, and stipulated that the money be provided within three days, specifically to address small businesses' urgent need for immediate cash infusions. But Ohio businesses are having tremendous difficulty in accessing EIDL loans. Businesses I have spoken to also are frustrated that the SBA is providing EIDL grants of \$1,000 per employee instead of the \$10,000 grants that Congress intended. It is imperative that small businesses receive full EIDL advances as soon as possible.

Additionally, small business owners in Ohio are finding that tracking their applications is seemingly a second, full-time job. They struggle to connect with the appropriate office, they get passed around to other offices, and in the rare chance they do connect with a provider they are told that no one can track down information about their loan. The SBA must provide a safe,

reliable loan tracking tool where small businesses can check the status of their loans and advances and hire additional staff to ensure that small businesses, without having to rely upon lawyers or accountants, can get their questions answered. Small businesses need this information so they can plan for their futures.

The Paycheck Protection Program and Health Care Enhancement Act, Congress includes an additional \$310 billion for the Paycheck Protection Program, \$50 billion for Economic Injury Disaster Loans, and \$10 billion for the emergency EIDL grants. This funding provides a lifeline – a critical second chance for small businesses that could not access the first round of funding. Independent, “Mom and Pop” small businesses, minority-owned businesses, and women-owned businesses have all reported challenges in accessing these programs. These businesses are the entrepreneurial lifeblood of our communities, and Congress clearly intended that these programs work for them. To help small businesses in Ohio access this important funding, please respond to the following questions:

1. How will you ensure that this money goes to the small businesses that need it – including independent “Mom and Pop” small businesses, minority-owned businesses, and women-owned businesses?
2. How will you reduce wait times so that small businesses get quick, accurate answers to their questions?
3. How will you ensure that small businesses have access to a safe, reliable online system where applicants can receive status updates on their loan and advance applications?

The ability of small businesses to weather this pandemic requires additional assistance from your agencies. Small business owners need certainty to plan and budget for their businesses. I remain committed to working with you and Ohio’s small businesses to provide relief for small businesses.

Sincerely,

A handwritten signature in black ink that reads "Sherrod Brown". The signature is written in a cursive, slightly slanted style.

Sherrod Brown  
U.S. Senator