United States Senate
WASHINGTON, DC 20510-0908

July 15th, 2022

The Honorable Isabella Casillas Guzman
Administrator
United States Small Business Administration
409 3rd Street, SW
Washington, DC 20416

Dear Administrator Guzman:

We write today to ask the Small Business Administration (SBA) to resume processing COVID Economic Injury Disaster Loan (EIDL) applications that were received prior to the agency's May 6, 2022 request deadline and to ensure that applicants with outstanding appeals receive due consideration. While we recognize the agency has assisted an unprecedented number of small businesses throughout the pandemic, our offices continue to hear from thousands of prospective borrowers awaiting consideration. We also continue to hear from EIDL applicants with disputed rejections who have received no communication from the administration in months. EIDL was a lifeline for businesses throughout this pandemic, but many of them continue to struggle. The program is too important to shut down prematurely. While funds remain, we expect SBA to process all eligible applications and appeals that have been submitted by the request deadline.

Nearly four million borrowers have benefited from the EIDL program, including during the most difficult period of the pandemic when businesses could not obtain credit from other lenders. Thanks to the program, millions of business owners were able to keep their enterprises running and adjust to the changing dynamics of the pandemic.

However, our offices have heard from many businesses that received conflicting or confusing instructions as they applied for the program. Some business owners were asked to submit the same form multiple times and received assurances from an SBA representative that they were compliant, only to be told after waiting for weeks and months that they still failed to meet program guidelines. SBA's communication with borrowers has not met our expectations and has undermined public faith in the agency.

Given that many applicants have not received final consideration, we find it difficult to understand SBA's decision to stop processing requests that were submitted by the May 6th submission deadline. Rather than processing every eligible applicant as it should, the agency has fallen back on a vague commitment to process "workable" applications. Based on this unsatisfying standard, our offices have seen far too many deserving applicants turned away by SBA. "Workability" is not an acceptable standard to justify rejecting a borrower who is eligible and in need. The bar for denial is eligibility, not SBA's willingness to continue processing applications. We find it particularly troubling that your agency continues to tell our offices that loans cannot be completed due to the exhaustion of funds when $800 million in loan subsidy remains – enough to support more than $7 billion in lending.

We respect that SBA will not approve every applicant, but we expect that when someone is deemed ineligible, SBA will provide a specific, unambiguous explanation for its decision. Anything short of that does a disservice to the thousands of business owners who have been led to believe they have done everything right, only to be told that their application cannot be processed because the program has closed.

The EIDL program has been a vital resource for struggling small businesses throughout the pandemic, but so long as eligible businesses remain unserved, SBA still has work to do. We expect you to ensure every deserving business that has submitted applications or appeals on time receives fair consideration.

Sincerely,

Benjamin L. Cardin
United States Senator

John Cornyn
United States Senator

Chris Van Hollen
United States Senator

Roger F. Wicker
United States Senator

Michael F. Bennet
United States Senator

Bill Cassidy, M.D.
Bill Cassidy
United States Senator

Catherine Cortez Masto
United States Senator

Marsha Blackburn
United States Senator

Mark Kelly
United States Senator

Ron Wyden
United States Senator

Patty Murray
United States Senator

Raphael Warnock
United States Senator

Margaret Wood Hassan
United States Senator

John Hickenlooper
United States Senator

Alex Padilla
United States Senator

Bernard Sanders
United States Senator

Charles E. Schumer
United States Senator

Jack Reed
United States Senator

Sherrod Brown
United States Senator

Richard Blumenthal
United States Senator

Kirsten Gillibrand
United States Senator

Robert P. Casey, Jr.
United States Senator

Jeanne Shaheen
United States Senator

Jacky Rosen
United States Senator

Sheldon Whitehouse
United States Senator

Kyrsten Sinema
United States Senator

Edward J. Markey
United States Senator

Cory A. Booker
United States Senator

Tina Smith
United States Senator

Mazie K. Hirono
United States Senator

Tammy Duckworth
United States Senator

Tammy Baldwin
United States Senator

Debbie Stabenow
United States Senator

Tim Kaine
United States Senator

Ben Ray Luján
United States Senator

Amy Klobuchar
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Thomas R. Carper
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Gary C. Peters
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Jeffrey A. Merkley
United States Senator

Mark R. Warner
United States Senator

Elizabeth Warren
United States Senator

Martin Heinrich
United States Senator

Joe Manchin III
United States Senator