April 20, 2020

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

Dear Administrator Carranza:

We would like to congratulate you and your staff for implementing the Paycheck Protection Program (PPP) on an expedited timeline during these unprecedented circumstances. This has benefitted the nation substantially, resulting in timely, needed relief for millions of Americans. However, for the federal government to remain efficient with its mitigation measures, more work is required and the U.S. Small Business Administration (SBA) will need to continue its implementation to provide additional clarity and guidance for businesses, banks, and other lenders.

As you know, due to the high demand for PPP loans, the program’s funding was exhausted on April 16, less than two weeks after the initial launch. This program has remained vital for small businesses to meet their payroll needs during the pandemic shutdown, which has resulted in historic unemployment and economic uncertainty. Concurrently, over one million small business have been approved for PPP loans with the assistance of nearly 5000 lenders. We understand that the SBA is not able to issue new loan approvals until additional funding is approved by Congress for the program; however, we urge the SBA to allow lenders to submit applications completed as of April 16 into the Capital Access Financial System (E-Tran).

Thus far, lenders have made impressive progress, sifting through scores of applications and fighting paramount pressures. By providing access to the E-Tran system, lenders will be allowed to submit the backlog of applications they have already received. It will also protect businesses that previously applied from being leap-frogged by new applicants should the program reopen. Regardless, businesses and lenders will need to understand that these submissions will not be funded without additional appropriations from Congress.

The SBA has worked to update technical systems to handle an unprecedented volume of applications and inquiries. We ask that the SBA continue to strengthen its online portals, and we stand ready to provide your administration with the resources it needs to assist the entire small business community. We further request that the SBA provide us with its plan to re-open the system and meet the expected surge in demand.
It is evident that the PPP loan program is one of the most critical measures of financial relief for small businesses. These loans are protecting employees, keeping doors open, and bringing a sense of normalcy to American workers during a time of abnormality. As Congress continues negotiations to provide PPP with additional funding, it is important we understand the full interest in the program. We are concerned that the E-Tran system will be overwhelmed, if the SBA does not allow submissions before the program reopens. Keeping the system operational will mitigate the influx once the program receives more funding, and will have the added benefit of being able to more accurately gauge demand in the current backlog.

Opening the E-Trans system would be a sensible step towards alleviating the inevitable rush of applications and additional strain on the process. Any delays in future approvals will be devastating as thousands of businesses are in dire need of immediate financial assistance. It is imperative that our small businesses have access to these funds at the earliest opportunity.

Thank you for your consideration of this matter. We look forward to working with you to continue the success of the PPP loan program and provide further relief for American businesses during this national emergency.

Sincerely,

Todd Young
United States Senator

Steve Daines
United States Senator

Joni K. Ernst
United States Senator

Rand Paul, M.D.
United States Senator

John Cornyn
United States Senator

Michael B. Enzi
United States Senator

James Lankford
United States Senator

James M. Inhofe
United States Senator

cc:
The Honorable Steven Mnuchin, Secretary of the Treasury