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United States Senate

COMMITTEE ON BANKING, HOUSING, AND
URBAN AFFAIRS

WASHINGTON, DC 20510-6075

GREGG RICHARD, STAFF DIRECTOR
LAURA SWANSON, DEMOCRATIC STAFF DIRECTOR

May 13, 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 3rd Street, SW
Washington, D.C. 20416

Dear Secretary Mnuchin and Administrator Carranza:

This week *The New York Times* reported that some lenders, without explanation, reduced the amount of funding small businesses received through Paycheck Protection Program (PPP) loans to less than what those businesses were eligible to receive under the program.

Small businesses are doing everything they can to withstand the economic impact of this pandemic and their difficulties accessing PPP loans are well documented. But as *The New York Times* article noted, even small businesses that successfully navigated the PPP process were surprised to find that they received less funding than they applied for or expected.¹ In one example, a Small Business Administration employee confirmed that the reduction came from the lender, not the SBA. When pressed about the discrepancy, the lender then provided the full requested amount. Whether inadvertent or intentional, this troubling report warrants a response from your agencies.

To help small businesses better understand how your agencies will ensure their access to full funding under the Paycheck Protection Program, please answer the following questions:

1. How are you monitoring PPP lending to identify and evaluate instances in which borrowers receive less funding than they request and are eligible for under the program?
2. What protections exist so that a business that received a reduced loan amount, through no fault of its own, can obtain its requested PPP loan amount?
3. What are your agencies doing to investigate discrepancies between the amount of funding borrowers request and the amount of funding lenders provide to those borrowers?
4. How will your agencies hold accountable lenders that reduce loan amounts to less than a business's request and entitlement?
5. What resources from your agencies are available to small businesses looking for recourse against lenders that reduce PPP loan amounts?

¹ <https://www.nytimes.com/2020/05/11/business/coronavirus-aid-banks.html>

PPP loans are an important resource in these difficult times. Small businesses need all the help they can get, and we've already seen how lenders favored larger, wealthier clients over small businesses.² Answers to these questions will help ensure that eligible small businesses are not further disadvantaged by lenders shorting them on PPP loans.

Sincerely,



Sherrod Brown
U.S. Senator



Robert Menendez
U.S. Senator



Tina Smith
U.S. Senator

² <https://www.nytimes.com/2020/04/22/business/sba-loans-ppp-coronavirus.html>