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

WASHINGTON, DC 20510-6075

April 5, 2020

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

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

Dear Secretary Mnuchin and Administrator Carranza:

I first want to congratulate the both of you and your staff on the Paycheck Protection Program, which went live on April 3, 2020. The Paycheck Protection Program provides much needed relief to millions of small businesses in order to keep their businesses up and running and to keep their workers employed, and I know that it is no easy feat getting a program of this magnitude up and running in one week. The Interim Final Rule that was released on April 2, 2020, provided much needed information to the banks and credit unions to allow these institutions to begin the lending process on April 3, 2020. The Treasury Department and Small Business Administration have worked around the clock and proactively requested feedback. To that end, I urge the Treasury Department and the Small Business Administration to provide additional clarity, whether in the form of supplemental FAQs or additional guidance, to banks, credit unions and non-bank lenders so that these institutions can continue providing loans to the small businesses all across the country more quickly and efficiently. In addition, I encourage the Treasury Department to work with the federal financial regulatory agencies in order to provide the necessary regulatory flexibility and support to the appropriate financial institutions so that these institutions can provide the necessary loans to small businesses.

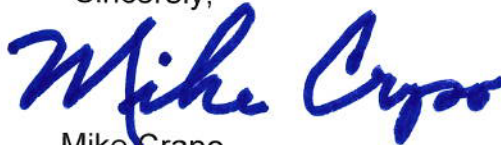
Areas that the Treasury and the Small Business Administration need to address quickly include:

1. Prioritizing updating links and portals, such as the E-Tran system, to allow lenders to more efficiently and effectively process loans and become an SBA lender, as well as providing clear instructions on how to complete loans through the SBA;
2. Providing supplemental FAQs or other guidance to questions on certification; confirmation of borrower calculations; applicability of FinCEN customer due diligence requirements; filing of SARs; electronic signatures; assurances related to the guaranty so that lenders can sign up new small businesses; and confirmation for lender-provided online portals; and
3. Ensuring there is enough liquidity in the secondary market, potentially through a secondary market facility to purchase Program loans from originating institutions and providing further guidance and clarity on the process of funding these loans.

Additionally, on April 2, 2020, I was encouraged to see the Federal Deposit Insurance Corporation release a Financial Institution Letter encouraging financial institutions to consider using programs, such as the Paycheck Protection Program, noting that the "FDIC will not criticize financial institutions' good faith efforts to prudently use the SBA and Treasury programs to work with small business borrowers affected by COVID-19." I encourage the other federal financial regulators to do the same.

In conclusion, providing the clarity outlined above, as well as any other necessary publicly-available information, is imperative to ensuring that small businesses can maintain their business and employment during this challenging time.

Sincerely,



Mike Crapo
Chairman

CC: Federal Reserve Chairman Jerome Powell
Federal Deposit Insurance Corporation Chairman Jelena McWilliams
Office of the Comptroller of the Currency Comptroller Joseph Otting
National Credit Union Administration Chairman Rodney Hood