

Congress of the United States
Washington, DC 20515

April 15, 2020

The Honorable Nancy Pelosi
Speaker
U.S. House of Representatives
H-232, U.S. Capitol
Washington, DC 20515

The Honorable Kevin McCarthy
Minority Leader
U.S. House of Representatives
H-204, U.S. Capitol
Washington, DC 20515

The Honorable Nydia Velázquez
Chair
House Committee on Small Business
2361 Rayburn House Office Building
Washington, DC 20515

The Honorable Steve Chabot
Ranking Member
House Committee on Small Business
2069 Rayburn House Office Building
Washington, DC 20515

Dear Speaker Pelosi, Majority Leader McCarthy, Chairwoman Velázquez, and Ranking Member Chabot:

I am writing today with grave concern with respect to funding for the Economic Injury Disaster Loan (EIDL) program and the Small Business Administration's (SBA) capacity to handle the surge of loan applications filed in response to the ongoing pandemic. In any future legislation, I believe we must address the funding shortfall with immediate funding for EIDL grants and loans, while also identifying creative solutions to meet borrower demand.

On March 18, 2020, the State of Colorado was declared an economic injury disaster area, making our state's 610,000 small businesses eligible for over \$7 billion in EIDL funding as mandated by PL116-23, the *Coronavirus Preparedness and Response Supplemental Appropriations Act*. The program was further expanded by Section 1107 of PL116-136, the Coronavirus Aid, Recovery, and Economic Security Act to include \$10 billion for Emergency EIDL grants of \$10,000 per small business. The law also provided \$675 million for salaries and expenses at the SBA and another \$25 million for the Office of the Inspector General.

I have heard from small businesses across my district that, since the March 18 declaration of an economic injury disaster in Colorado, many of them have been unable to access the EIDL loan program, have received no response from the SBA, or have been given conflicting information about the requirements for receiving a \$10,000 EIDL grant. Nationwide, we have heard that over 3 million businesses have applied for assistance—if all were to be awarded an EIDL grant, we would need to have \$30 billion set aside to meet our goal of providing \$10,000 per small business. This program will only continue to fall short given that there are over 30 million small businesses in the United States.

Paired with the current tumultuous rollout of the Paycheck Protection Program, it is clear that we must do more for the American people: we must appropriate more funds to these loan programs, provide the SBA with the resources it needs to succeed, and work creatively to help the SBA perform its mission of helping small businesses.

In any interim emergency legislation or CARES 2.0 package, I urge you to consider the following:

- At least \$10 billion in additional funding for the EIDL grant program;
- At least \$50 billion in additional funding for disaster loans in the EIDL program;
- An additional \$225 million for the SBA's salaries and expenses account;
- A careful reexamination and reform of the SBA's hiring processes in order to scale personnel necessary to meet borrower demand.

With these additions, we can help the SBA succeed in addressing this growing national calamity. Without additional bold action, this crisis will compound, and I fear that the consequences will be disastrous for years to come.

Thank you for your consideration of this request and your hard work on behalf of the American people.

Sincerely,



JASON CROW
Member of Congress