May 6, 2020

The Honorable Jovita Carranza
Administrator
U.S. Small Business Administration
409 3rd Street, SW
Washington, D.C. 20416

Dear Administrator Carranza:

On behalf of America’s small businesses, I would like to thank you for your leadership as your agency spearheads an unprecedented economic response and recovery effort. Congress created the Paycheck Protection Program (PPP) to provide assistance to as many small businesses as possible during this emergency period. As you know, within weeks of PPP launching, the Small Business Administration (SBA) was able to provide billions of dollars to small businesses across America. While the average loan size continues to decrease, the nation’s smallest businesses that operate on the margins and have limited relationships with lenders are greatly in need of assistance. As the SBA outlines its plans to aid small businesses, I urge you to prioritize businesses and lenders from often neglected communities.

According to a recent survey by the Cowles Foundation on the impacts of the Coronavirus Aid, Relief, and Economic Security Act (CARES Act)\(^1\), the nation’s smallest businesses may have lacked the necessary information and familiarity to fully utilize the first round of PPP funding. With minimal resources, these small business owners deliver goods and services to neighborhoods in cities and within rural communities. Often, these companies are the lifeblood of America’s urban cores and small towns. Providing assistance and resources to the smallest businesses should be paramount. Many women and minority-owned small businesses faced significant structural challenges in establishing and maintaining their companies before the onset of COVID19. As a result, these small businesses require additional support to utilize resources effectively. To meet their needs, the SBA should prioritize its nationwide networks of resource partners to tailor information to local communities.

The SBA was appropriated $265,000,000 for Entrepreneurial Development Programs outlined in Section 1103 of the CARES Act. Under Section 1103, grants to resource partners are to be used for education, training, and advising small businesses on various coronavirus concerns, including available federal resources. Congressional intent of this section is for SBA resource partners to facilitate small business access to CARES Act funding.

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I commend the recent launch of the Federal Resources for U.S. Small Businesses website hosted by America’s SBDC and the Association of Women’s Business Centers funded by the CARES Act. I also commend the work of the SCORE Association for their rapid rollout of two online resources, the Real Time Mentoring Platform and SCORE’s Coronavirus Small Business Resource Center. I respectfully request that the SBA increase its collaboration with resource partners and approved lenders to immediately address SBA funding awareness gaps among underserved businesses and communities.

As Ranking Member of the House Committee on Small Business, I am committed to the spirit of the CARES Act and the small business that desperately need our support. In your capacity as the Administrator of the SBA, I believe you share my conviction. Thank you for fighting for America’s Main Street businesses.

Sincerely,

Steve Chabot
Ranking Member
House Committee on Small Business