

March 25, 2020

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

Dear Administrator Carranza:

The undersigned banking and credit union trade associations representing bank and credit union members of all sizes in every state, write on behalf of our members to express our support for the nation's small businesses and their employees impacted by COVID-19 (coronavirus). Banks and credit unions throughout the country have been working with businesses of all sizes and pledge to continue our assistance to help these businesses through this difficult time.

The U.S. Small Business Administration (SBA) will play a critical role in administering the funds recently authorized and appropriated through S.3548, the Coronavirus Aid, Relief, and Economic Security (CARES) Act to help small business and their employees. On behalf of our members we cannot stress strongly enough the need for timely and clear guidance upon enactment of this measure so that lenders can efficiently disburse funds through loans.

As you know, Congress is poised to pass a massive aid package to combat the rapid spread of the COVID-19 virus and stem its impact on the economy. Title I of the CARES Act, the Keeping American Workers Paid and Employed Act, includes \$350 billion in funds for a temporary, expanded SBA 7(a) loan program aimed at providing small businesses with funds for critical items such as payroll, rent obligations, and utilities. This expansion also allows nearly any lender to apply and become a 7(a) lender, vastly increasing the number of available lenders to borrowers to underwrite these loans. This legislation also includes \$17 billion in funds to be used for up to 6 months for small businesses with existing 7(a) loans, bringing the total aid to \$367 billion.

Currently, banks and credit unions play a vital role in all of SBA's lending processes and stand ready to aid in disbursing these additional funds to small businesses nationwide. In order for our members to work effectively to help achieve this goal, they will require clear and consistent guidance on how SBA intends for the program to operate. Helpful inclusions in this guidance should be bright-line rules, free from ambiguity. The more straightforward, and detailed the materials coming out of SBA, the easier it will be for lenders to quickly and effectively process new loan applications.

As Congress and the Administration respond to the crisis, large, regional, midsize and community banks and credit unions will continue to offer assistance to support small business and consumers directly affected and we also stand ready to assist your Administration. Strong, specific guidance from SBA will make this goal that much more achievable.

Sincerely,

American Bankers Association  
Bank Policy Institute  
Community Development Bankers Association  
Consumer Bankers Association  
Credit Union National Association  
Financial Services Forum  
Independent Community Bankers of America  
Mid-Size Bank Coalition of America  
National Association of Federally-Insured Credit Unions  
National Association of Government Guaranteed Lenders  
National Bankers Association