

ANTHONY BRINDISI
22ND DISTRICT, NEW YORK

COMMITTEE ON AGRICULTURE
COMMITTEE ON VETERANS' AFFAIRS



Congress of the United States
House of Representatives
Washington, DC 20515

WASHINGTON OFFICE
329 CANNON HOUSE OFFICE BUILDING
WASHINGTON, DC 20515
(202) 225-3665

BINGHAMTON OFFICE
49 COURT ST., SUITE 210
BINGHAMTON, NY 13901
(607) 242-0200

UTICA OFFICE
430 COURT ST., SUITE 102
UTICA, NY 13502
(315) 732-0713

April 24, 2020

The Honorable Jovita Carranza
Administrator
Small Business Administration
409 3rd St SW
Washington, DC 20416

Dear Administrator Carranza:

Thank you for your work during this unprecedented expansion of the Small Business Administration (SBA)'s portfolio to respond to the COVID-19 pandemic. In my district in Upstate New York there are over 11,000 small businesses employing more than 113,000 people and generating \$4.0 billion in payroll. These businesses are the backbone of our economy and are profoundly struggling during the COVID-19 pandemic. As you know, the Paycheck Protection Program (PPP) is a lifeline to these small businesses in New York and across this county. However, as your agency moves forward implementing the additional \$310 billion Congress allocated to PPP in the fourth coronavirus stimulus package, I call on you to ensure that the funds are being fairly distributed to that areas that need them most.

According to recent reports based on Evercore ISI estimates¹ of eligible payrolls, to date New York has received the second lowest percentage of PPP funding (40 percent) of any state in the nation. By comparison, some states have had more than 80 percent of their eligible payroll covered. As you know, New York has been the epicenter of the COVID-19 outbreak in the United States, with more than 235,000 cases and more than 15,000 New Yorkers who have tragically lost their lives. There is no question that New York State residents need immediate, comprehensive relief.

The PPP is critical to preserving the nation's millions of small businesses which comprise more than 95 percent of the nation's employing businesses and nearly half of all jobs. They need this funding to meet payroll, make rent and mortgage interest payments, keep the lights on, and survive. But this effort is meaningless if funding does not go to the people who need it most, small businesses in hotspot areas. I am extremely disturbed to hear small businesses in my district report they were not able to receive PPP funding, even after completing the application and clearly facing extreme hardship from the pandemic. That is why I am calling for more information and answers to the following questions:

¹ Zachary Mider and Cedric Sam. "Small-Business Rescue Shows Not All States Are Created Equal." *Bloomberg*, 16 April 2020, <https://www.bloomberg.com/graphics/2020-sba-paycheck-protection-program/>. Accessed 22 April 2020.

- 1) What criteria has the Small Business Administration developed to ensure that funding is distributed equitably, including to rural areas?
- 2) According to the most recent estimates from the SBA, only 17% of the total dollar value of PPP loans approved were for \$150,000 or less. What steps is the agency taking to ensure that businesses of less than 50, 150, and 250 employees are receiving this critical support?
- 3) How many small and rural lenders participated in PPP, what percentage of the total loans were made by small and rural lenders, and what barriers (if any) prevented these lenders from participating?
- 4) The most recent legislation to increase funding for the PPP included a requirement that \$60 billion be reserved for small and moderate sized financial institutions. How will the SBA monitor and enforce this provision, and will your office provide me with a list of the lending institutions receiving funding under this set aside?
- 5) How can SBA ensure states like New York have a share of loans approved at least on par with the national average?

As we work to replenish the PPP funding, we must ensure that these resources are being distributed equitably, especially to rural and underserved areas. Thank you for your attention to this urgent matter. I look forward to your response.

Sincerely,

A handwritten signature in black ink that reads "Anthony Brindisi". The signature is written in a cursive, flowing style.

Anthony Brindisi
Member of Congress