

**United States Senate**  
WASHINGTON, DC 20510

April 9, 2020

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

Dear Administrator Carranza:

We write today to urge the Small Business Administration (SBA) to act quickly and provide clear and consistent guidance regarding its interpretation and implementation of Economic Injury Disaster Loans (EIDLs) associated with the COVID-19 crisis and the new Emergency Economic Injury Grants (EEIGs). Small businesses across the country are counting on this federally-mandated relief, and it is imperative that the SBA ensure they receive it efficiently and effectively.

The COVID-19 pandemic and related mitigation efforts have crippled small businesses, causing mass layoffs and closures nationwide. Small businesses are the backbone of the U.S. economy, and Congress acted in overwhelmingly bipartisan fashion to pass the Coronavirus Aid, Relief, and Economic Security (CARES) Act. Among other things, the CARES Act created EEIGs to provide an emergency advance to small businesses and private non-profits, among other entities, harmed by COVID-19 within three days of the entity applying for an SBA EIDL. The EIDL and associated EEIG provide necessary relief to these businesses and organizations during this unprecedented time.

At the time, however, small businesses across the country are reporting that, although they are eligible and have applied for an EIDL and then requested the EEIG, they are not receiving the advance. Businesses are receiving conflicting guidance on the expected timing for receiving these critical funds, and many businesses cannot afford to wait as they try to keep their employees on payroll and pay their rent. In addition, it is our understanding that the SBA is now stating that small businesses who applied for an EIDL prior to March 27, 2020, when President Trump signed the CARES Act into law, must reapply in order to receive it and the EEIG. There is further confusion regarding the amount a small business is able to receive if they apply for an EEIG.

Small businesses across the country must be confident they can rely on the United States government to provide them with the timely relief promised by Congress during this pandemic. To that end, please answer the following questions by April 16, 2020:

1. Do small businesses that applied for an EIDL prior to the date the CARES Act was signed into law have to reapply in order to receive it and the related EEIG?

- a. If yes, please describe the steps that SBA is taking to notify all necessary applicants.
2. What is the time frame during which eligible applicants can expect to receive an EEIG and EIDL?
  - a. Will SBA notify all applicants that are not awarded funding, and how will that notification occur?
3. In the CARES Act, Congress included EEIGs to provide an emergency advance of up to \$10,000 to small businesses and private non-profits harmed by COVID-19 within three days of applying for an EIDL. Can you confirm that eligible applicants may still receive up to \$10,000 in EEIGs?
  - a. Is the SBA allocating these grants on a per-employee basis or is it otherwise distinguishing between businesses with greater or fewer employees?
  - b. What other criteria is the SBA applying in its calculation?
4. Does the SBA require additional action or resources from Congress to be able to fully execute the provisions of the CARES Act?
  - a. If yes, please describe the SBA's needs.

We appreciate the SBA's diligent work during this unprecedented time and understand that implementing new programs is an enormous endeavor. However, small businesses and their employees around the country are relying on these funds to stay afloat. They need accurate and consistent information so that they can make the best-informed decisions for their businesses during this difficult time.

Sincerely,

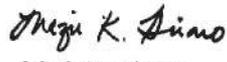
  
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Christopher S. Murphy  
United States Senator

  
Jack Reed  
United States Senator



Catherine Cortez Masto  
United States Senator



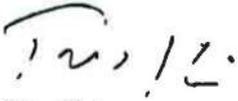
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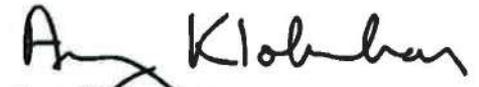
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