

Congress of the United States
Washington, DC 20515

May 4, 2020

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

Dear Administrator Carranza,

Thank you for your work assisting small businesses during these unprecedented times. We appreciate the challenges posed by the magnitude of the crisis and the scale of the Congressionally authorized response. We also know how hard you and your team are working to address the issues confronted by many of our local small businesses.

We write to you about the Economic Injury Disaster Loan (EIDL) program and the urgent need for the Small Business Administration (SBA) to provide a means for our constituents to check on the status of their applications and for the SBA to keep Congress informed.

As you well know, the EIDL program has long been a vital lifeline for millions of small businesses around the country in times of emergency. Thanks to the long-term repayment options and flexible use of funds, EIDLs have been helpful for small businesses navigating their long-term financial future.

In the current COVID-19 pandemic, we have been heartened to hear that, with the additional funding Congress has provided, SBA will now ensure that individuals left out of the first round of funding will hold their original place in the queue and do not need to reapply. However, many of our constituents who applied for this program have yet to hear about the status of their application. In fact, many small businesses have been without meaningful information from the SBA for weeks.

Additionally, the *Washington Post* reported that as many as 8,000 EIDL applicants may have had their personal information – including Social Security numbers and other personally identifiable information – inadvertently exposed.¹ While the SBA notifying potentially exposed applicants and offering a year of credit monitoring is a start, we believe the SBA must do more to ensure data security for all SBA loan applicants. Furthermore, we believe SBA must assure Congress the back-end components to EIDL, like server capacity and data integrity, are operating effectively and efficiently.

¹ [Washington Post – "Data breach may have exposed personal information of thousands of SBA emergency loan applicants" \(April 21, 2020\)](#)

In response to these concerns, and in order to inform Congressional oversight of the EIDL program, especially as the SBA makes use of a new round of funding, we ask for your timely response to the following requests:

- 1) **Create an EIDL application queue**: SBA has stated that it will not be opening the EIDL program to additional applications until it has processed its existing backlog. This is an unacceptable plan. While we understand the SBA's desire to clear the applications it currently holds, refusing to accept new applications leave countless businesses still out in the cold. Only by soliciting all applications can the SBA and Congress have a comprehensive understanding of the demand by small businesses for this program and then make the necessary decisions to address any gaps.
- 2) **Provide EIDL applicants with an updated status of their applications**: Many EIDL applicants have waited weeks for a response from the SBA and are now facing the reality they must plan their financial future in absence of SBA assistance. It is vital that SBA provide these applicants with an update on the status of their application. The current online portal does not provide meaningful information on the status of an application. Provision of needed information – including place in the queue and confirmation that all necessary paperwork has been received – can take the form of an automated email to all applicants or an electronic portal for applicants to check their status; however, simply deferring these applicants to the SBA Customer Service hotline is not an adequate response to the millions of applicants without answers
- 3) **Provide Congress with daily updates on EIDL processing**: In order to effectively exercise oversight over the SBA's processing of EIDL, it is critical that the agency provide daily updates to Congress on how it is administering the program. The sporadic and incomplete data thus far provided to Congress has been woefully insufficient, making it impossible to conduct proper oversight and keep our constituents informed, Congress needs regular, timely, and complete data from the SBA about pending and approved applications, zip code-by-zip code and state-by-state breakdowns of funding, and a better understanding of how SBA is ensuring its capacity is meeting demand for the program.
- 4) **Communicate with Congress on the steps SBA is taking to ensure back-end capacity**: Amid regular reports of SBA's EIDL web-portal crashing, constituents waiting hours to connect with SBA customer service representatives, and the recent news of the inadvertent exposure of personally identifiable information, it is critical SBA routinely brief Congress on the work it is doing to ensure the back-end integrity of the EIDL program. We recognize the historic demand for this program, and we commend the SBA for its work to meet the challenges this crisis poses. But we must work together to address the ways in which SBA's back-end capacity has fallen short – and that starts with keeping Congress fully apprised of SBA's efforts. We request a briefing within the next two weeks by SBA on the steps it is taking to address these concerns.

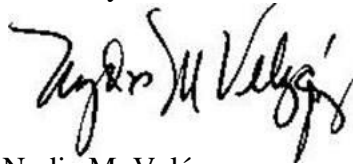
Thank you, again, for your work to assist small businesses amid this unprecedented public health and economic crisis. We look forward to working together to ensure the effective administration of the EIDL program in service to our constituents.

Given the urgency of these concerns, we request your response to these requests by May 8.

Sincerely,



Bradley S. Schneider
Member of Congress



Nydia M. Velázquez
Chairwoman
House Small Business Committee



Mike Quigley
Chairman, FSGG Subcommittee
House Appropriations Committee



Andy Kim
Member of Congress



Angie Craig
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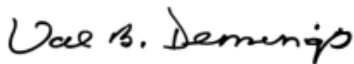
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Gregorio Kilili Camacho Sablan
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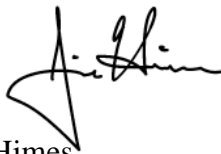
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Alan Lowenthal
Member of Congress



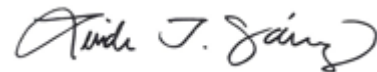
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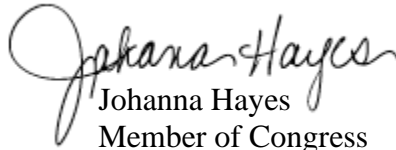
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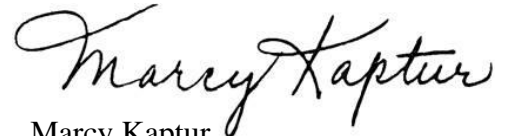
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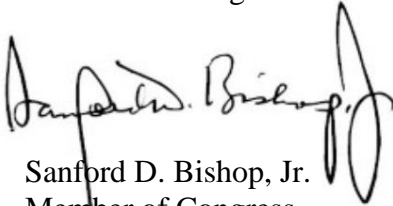
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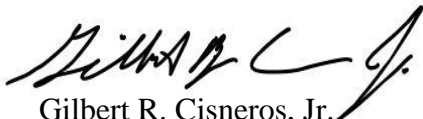
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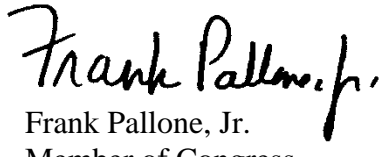

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Member of Congress

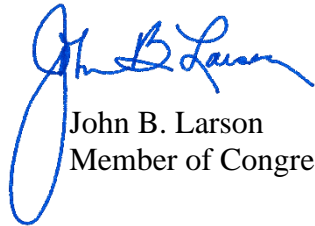

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/s

Brendan F. Boyle
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/s

Robert C. "Bobby" Scott
Member of Congress

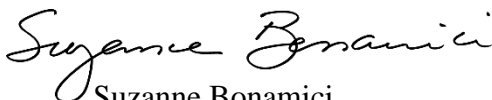

Al Lawson
Member of Congress


/s

John Lewis
Member of Congress

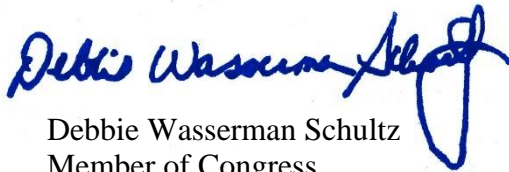

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