



Congress of the United States

April 19, 2020

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

Dear Administrator Carranza:

The Coronavirus Aid, Relief and Economic Security (CARES) Act provided \$349 billion for the creation of the Paycheck Protection Program (PPP) within the U.S. Small Business Administration (SBA). This important program enables lenders to provide 100 percent SBA-backed loans to small- and medium-sized businesses to cover payroll and other costs during the COVID-19 pandemic. Since the rollout of the PPP on April 3, 2020, over 1 million loans have been processed.

As members of Michigan's congressional delegation, we write to express concern that our state, despite being one of the hardest hit states in this pandemic, currently ranks in the bottom third of states receiving small business loans under the PPP compared to the number of businesses that are eligible.

Michigan has been particularly and uniquely hit hard by the coronavirus pandemic. As of today, Michigan currently has the fifth most COVID-19 cases.ⁱ Additionally, this pandemic has hit Michigan workers and the state's unemployment insurance system harder than almost every other place in the nation. According to jobless claims filed since March 14, Michigan has processed over 1 million unemployment claims, representing nearly a quarter of our state's labor force.ⁱⁱ

Yet, despite this extraordinary demonstrated need, Michigan currently ranks 35 out of 50 states when it comes to PPP loans processed.ⁱⁱⁱ According to SBA's data provided to Congress about the PPP program to date, many other states with the most COVID-19 cases also rank in the bottom third of states receiving PPP loans. Notably, many states with a low number of COVID-19 cases have received the greatest number of PPP loans.

Since the PPP began, we have heard from small businesses in Michigan about problems accessing the program, including from underserved communities in rural and urban areas. The SBA data on loans processed to date seems to confirm some of these challenges. As Congress considers additional legislation to aid small businesses, we write with the following questions about the PPP:

- What is SBA doing to ensure that small businesses in the hardest hit states are receiving their proportional share of the aid available under the PPP?
- Can you provide information on how SBA determined each state's allocation of loans?

We look forward to your prompt response and continuing to work with you to support America's small businesses and their workers.

Sincerely,



Dan Kildee
Member of Congress

Debbie Stabenow
U.S. Senator

Gary C. Peters
U.S. Senator

Brenda Lawrence
Member of Congress

Debbie Dingell
Member of Congress

Rashida Tlaib
Member of Congress

Elissa Slotkin
Member of Congress

Andy Levin
Member of Congress

Haley Stevens
Member of Congress

ⁱ <https://www.cdc.gov/coronavirus/2019-ncov/cases-updates/cases-in-us.html>

ⁱⁱ <https://www.nbcnews.com/business/economy/unemployment-claims-state-see-how-covid-19-has-destroyed-job-n1183686>

ⁱⁱⁱ <https://www.bloomberg.com/graphics/2020-sba-paycheck-protection-program/>