

**Congress of the United States**  
**Washington, DC 20515**

April 28, 2020

The Honorable Steven Mnuchin  
Secretary  
U.S. Department of the Treasury  
1500 Pennsylvania Avenue, NW  
Washington, DC 20220

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

Dear Secretary Mnuchin and Administrator Carranza,

Congress passed the Coronavirus Aid, Relief, and Economic Security (CARES) Act, a \$2.2 trillion stimulus bill, to address the unprecedented challenges and economic downturn faced by our nation due to the COVID-19 pandemic. As part of this legislation, Congress created a new SBA loan forgiveness program known as the Paycheck Protection Program (PPP) to help keep small businesses afloat during this crisis. Under the CARES Act, the program received \$349 billion in funding in order to provide forgivable, low-interest loans to small businesses to pay employees, keep them on the payroll, and keep the businesses viable.

As we have expressed on numerous occasions, we remain concerned that the PPP is not being implemented as Congress intended because the funds are not reaching those underserved businesses across America that the program was supposed to assist. Moreover, SBA data pertaining to the allocation of loans across states and territories published on April 16, 2020 has raised worries about the disproportionate distribution of loans and, in specific, the minimum amount of loans provided to small businesses in the U.S. Territories of Puerto Rico, American Samoa, the Commonwealth of the Northern Mariana Islands, Guam, and the U.S. Virgin Islands.

The disparities in the distribution of PPP loans are deeply disconcerting because they do not seem to respond to the amount of small businesses, the population or the needs of a jurisdiction due to this crisis. For example, Puerto Rico, which counts with 44,422 eligible small businesses, 120,000 people who are self-employed, and approximately 1 percent of the population of the United States; received only 0.17 percent of all loans by count and 0.19 percent by amount under the PPP.<sup>1</sup> In fact, it ranked 52 out of the 56 jurisdictions in total amount lent. Furthermore, small businesses in 21 jurisdictions with less population than Puerto Rico received a larger aggregate amount of PPP loans than the island.<sup>2</sup> In conclusion, it is safe to say that small businesses in Puerto Rico - which have recently suffered the hardships of hurricane María, earthquakes and now of this pandemic - were not able to take full advantage of the program.

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<sup>1</sup> Center for a New Economy, "*Special Edition: The Paycheck Protection Program*", available at: [https://grupocne.org/2020/04/20/living-with-risk-daily-briefing-april-20/?utm\\_source=Center+for+a+New+Economy&utm\\_campaign=9912b63665-20.4.2020+LWR+DB+%28ENG%29&utm\\_medium=email&utm\\_term=0\\_6289136981-9912b63665-509773237&mc\\_cid=9912b63665&mc\\_eid=7a747f70f4](https://grupocne.org/2020/04/20/living-with-risk-daily-briefing-april-20/?utm_source=Center+for+a+New+Economy&utm_campaign=9912b63665-20.4.2020+LWR+DB+%28ENG%29&utm_medium=email&utm_term=0_6289136981-9912b63665-509773237&mc_cid=9912b63665&mc_eid=7a747f70f4).

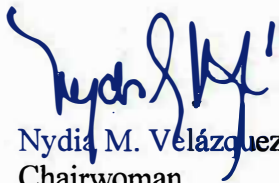
<sup>2</sup> *Id.* The 21 jurisdictions are: Alaska, Arkansas, Delaware, District of Columbia, Hawaii, Idaho, Iowa, Kansas, Maine, Mississippi, Montana, Nebraska, Nevada, New Hampshire, New Mexico, North Dakota, Rhode Island, South Dakota, Vermont, West Virginia, and Wyoming.

Now that Congress has appropriated \$310 billion in new funding for PPP loans, it is imperative to ensure that underserved small businesses, including those in the territories, received adequate access to the program. Thus, with respect to program accessibility in the territories, we respectfully request the following information:

1. How will you ensure equal access to PPP loans by underserved communities, including those in the five territories?
2. What challenges has SBA experienced in setting and running the program in the territories and how have those challenges been overcome?
3. What is SBA doing to encourage bank/lender participation in the territories?
4. What is SBA doing to disseminate information about the program in the territories to educate small businesses?

Thank you for your attention to this request. Given the urgency of the situation, we look forward to your immediate response.

Sincerely,



Nydia M. Velázquez  
Chairwoman  
House Small Business Committee



Raúl M. Grijalva  
Chair  
House Committee on Natural Resources