



May 15, 2020

The Honorable Nancy Pelosi
Speaker of the House of Representatives
U.S. House of Representatives
United States Capitol
Washington, DC 20515

The Honorable Mitch McConnell
Majority Leader
U.S. Senate
United States Capitol
Washington, DC 20515

Dear Madam Speaker and Majority Leader McConnell:

On behalf of the dozens of national, state and local organizations that have united to advocate for underserved communities, the *Page 30 Coalition*, writes you today with recommendations for future COVID-19 response legislation.

As seen throughout other sectors of society, the emergence of COVID-19 has revealed disproportionate and systemic inequities that plague our nation's most underserved populations. Particularly, millions of small businesses owned and operated by people of color, women, tribal, veterans and other traditionally underserved groups have been devastated from the economic downturn of the pandemic. The initial response of the Coronavirus relief bill prioritized the concern of these populations on Page 30 of the *Coronavirus Aid, Relief, and Economic Security Act of 2020 (CARES)*. However, during its initial implementation, America's most vulnerable small businesses, particularly women, minority, tribal, rural, veteran, and start-ups went largely unaddressed.

To call attention to this issue, last week over 30 industry-leading organizations joined together to launch the Page 30 Coalition. The Page 30 Coalition aims to advocate for a legislative and regulatory agenda that ensures the critical constituencies recognized on Page 30 of the *CARES Act* receive the prioritization Congress initially intended.

While we do not have official data from the Small Business Administration (SBA), we believe these communities were overlooked by traditional lenders authorized to distribute Paycheck Protection Program (PPP) loans. On Friday, May 8, 2020, the Inspector General (IG) of the Small Business Administration (SBA) issued a "Flash Report" on the implementation of the PPP requirements. Among other shortcomings, the IG report found that the agency failed to comply

with Congressional intent and neglected to release guidance that prioritizes borrowers in disadvantaged and rural markets.¹

Despite the Treasury Department and SBA's release of ten Interim Final Rules and 46 FAQs to date, much uncertainty remains for most unbanked and underrepresented populations. To ensure this critical prioritization is realized, we collectively urge legislators to create equity-based legislation that will safeguard these communities through:

- **Elimination of the “first come, first serve” rule and prioritization of communities mentioned on page 30 of the CARES Act.** The “first come, first serve” provision perpetuates equity-gaps within the program, as many unserved groups remain reluctant to participate due to lack of wide-spread broadband access, non-banking relationships, technical assistance issues, and the like. We urge lawmakers to eliminate this rule and subsequently increase appropriations in current and forthcoming relief aid for Community Development Financial Institutions (CDFIs)—entities that historically have deep ties to vulnerable communities.
- **Extension of the PPP through December 31, 2020.** The extension of the PPP loan disbursement period will ensure underbanked markets receive the opportunity to benefit from the loan program. This provision will also provide prospective small business owners affected by the economic swing of COVID-19 with a sufficient timeline to assess damage and participate if necessary.
- **Extension of the PPP loan coverage period.** The current PPP coverage period requires businesses to disburse funds within an eight-week window of the loan's origination date. However, amid the economic uncertainty surrounding COVID-19, millions of small businesses have yet to restart operations. We urge lawmakers to extend the PPP coverage period to a minimum 16-week window. This modification will ensure that underserved small businesses can successfully deploy funds while remaining eligible for loan forgiveness.
- **Additional funding only for firms with ten (10) or fewer employees.** Over three-quarters of the nation's 30 million small businesses are non-employer firms.² Minority, women-owned and rural businesses represent a significant portion of this percentage. Currently, businesses with the greater of 500 employees are eligible to receive PPP loans along with single-employer firms. We urge Congress to create a provision that reserves a certain amount to ensure lenders are able to allocate loans to borrowers with 10 employees or less.

¹ <https://www.sba.gov/document/report-20-14-flash-report-small-business-administrations-implementation-paycheck-protection-program-requirements>

² <https://sbecouncil.org/about-us/facts-and-data/>

- **Dedicate Additional Resources to Page 30 communities.** Additional legislation in COVID response should identify new ways to support these programs. Our communities need a wide range of supports including technical assistance, long-term low-cost capital, contracting opportunities among others. Expansion of the Employee Retention Tax Credit and modifications to allow for dual eligibility with other programs should also be considered.
- **Implementation of a CARES Act transparency mechanism.** The CARES Act and its subsequent supplemental legislation has deployed nearly \$750 billion in relief aid to small businesses. Despite these figures, Americans remain largely unaware of the program beneficiaries. We urge legislators to implement a transparency mechanism that includes a breakout of loans by state, demographics, industry and loan size. This action will provide lawmakers and regulators with the metrics necessary to ensure the program is working in favor of all small businesses.

We recognize that many of these priorities were reflected in the *Health and Economic Recovery Omnibus Emergency Solutions Act of 2020*, and we commend their inclusion. These priorities all have bipartisan support, however, and we urge Congress to work collaboratively to advance these solutions.

Thank you for your attention to this request. We urge you to reach out directly with any questions, given the timely nature of these policies. We are available at your convenience and can be speedily convened by contacting our coalition manager, Jamon Phenix (jamon@page30coalition.org).

Sincerely,

Page 30 Coalition

Including these leaders from around the country:

1863 Ventures
Asian/ Pacific Islander American Chamber of Commerce & Entrepreneurship
Association for Enterprise Opportunity
Association of Women's Business Centers
Aura
Boston Impact Initiative
Business for a Better Portland
Cargo Inc
Closing the Women's Wealth Gap
Common Future
CommonWealth Kitchen
Communities Unlimited, Inc.

Eickhof Creative Shop
Entrepreneurship Center @CTI
Equal Rights Advocates
Ficklin Media Group
Gusto
Hispanic Metropolitan Chamber of Commerce
Human Capital Strategies & Solutions
Impact Hub Houston
Innovate Coalition Inc
IXL Center
Local Initiatives Support Corporation
Native Women Lead
Partners for Rural Transformation
Prosperity Now
Rational Unicorn Legal Services PC
San Francisco African American Chamber of Commerce
Social Impact Strategies Group
U.S. Black Chambers, Inc.
U.S. Hispanic Chambers of Commerce
Virginia Asian Chamber of Commerce
Visceral
Wildfang
WOMEN'S WAY
Women's Business Center Southern Arizona
WTF?! Weigh The Facts
XXcelerate
Zebras Unite

cc:

The Honorable Marco Rubio, Chairman, Senate Committee on Small Business and
Entrepreneurship
The Honorable Ben Cardin, Ranking Member, Senate Committee on Small Business and
Entrepreneurship
The Honorable Nydia Velazquez, Chair, House Committee on Small Business
The Honorable Steve Chabot, Ranking Member, House Committee on Small Business