

February 10, 2021

The Honorable Nydia Velázquez
Chairwoman
Small Business Committee
U.S. House of Representatives
Washington, D.C. 20515

The Honorable Blaine Luetkemeyer
Ranking Member
Small Business Committee
U.S. House of Representatives
Washington, D.C. 20515

The Honorable Ben Cardin
Chairman
Committee on Small Business and
Entrepreneurship
United States Senate
Washington, D.C. 20510

The Honorable Rand Paul
Ranking Member
Committee on Small Business and
Entrepreneurship
United States Senate
Washington, D.C. 20510

Dear Chairwoman Velázquez, Ranking Member Luetkemeyer, Chairman Cardin, and Ranking Member Paul:

We are writing to ask for your leadership and support in ensuring that the fiscal year 2021 reconciliation bill includes the additional funding necessary to guarantee that the benefits of the extended Small Business Debt Relief Program authorized by the Economic Aid Act¹ are fully available to all of the eligible SBA borrowers, as Congress intended.

The Small Business Debt Relief Program, originally authorized by CARES Act Sec. 1112, has been an overwhelming success in providing immediate and critical assistance to credit-constrained SBA borrowers with minimal administrative burden imposed on SBA. More than 320,000 SBA borrowers received six-months of Debt Relief payments before the initial program sunset for new borrowers on September 27, 2020,² with \$9 billion of the original \$17 billion appropriated for Section 1112 Debt Relief payments remaining available.

As the pandemic continued to wreak havoc on our nation's small businesses, we urged Congress to resume and extend the Small Business Debt Relief Program using the remaining funds already appropriated for CARES Act, Section 1112 payments. Thanks to Senator Chris Coons and Representative Anthony Delgado the Economic Aid Act, signed into law on December 27, 2020, authorized a second round of Section 1112 payments. The Economic Aid Act clarified eligibility for the initial round of Debt Relief, established a \$9,000 cap on monthly Section 1112 payments, and provided additional months of relief payments for underserved SBA borrowers. A total of \$3.5 billion was appropriated to the extension of Section 1112 Debt Relief

After issuing program guidance on the Section 1112 extension last month, SBA indicated that the \$3.5 billion appropriated was insufficient to fully cover the cost of implementing the extended Small Business Debt Relief Program - including the second round of Section 1112 payments. SBA has already mailed

¹ Section 325 of the Economic Aid to Hard-Hit Small Businesses, Nonprofits, and Venues Act (Economic Aid Act), enacted December 27, 2020, Pub. L. 116-260

² CARES Act was signed into law on March 27, 2020 and any SBA loan made on or before September 27, 2020 was eligible for Section 1112 payments. Businesses with eligible SBA loans made on or before September 27th continued to receive payments for 6-months.

letters to borrowers and notices to lenders informing them of the number of Debt Relief payments borrowers are eligible for while also indicating that “the amount of the assistance is subject to adjustment based on the availability of funds provided by Congress.” Having endured nearly a full year of immense challenges brought on by the pandemic, small business owners need and deserve certainty and stability at this time. As such, we urge Congress to step in immediately to fulfill the commitment made in the Economic Aid Act, which gave small businesses tremendous hope of surviving the vaccine distribution phase that is anticipated to continue through the summer.

We respectfully ask that you use the budget reconciliation process to provide the additional funds necessary to fully fund the extended Section 1112 Debt Relief Program and deliver SBA borrowers the certainty and relief they deserve.

Sincerely,

African American Alliance of CDFI CEOs
Asian/Pacific Islander American Chamber of Commerce & Entrepreneurship (National ACE)
Association for Enterprise Opportunity
Association of Women’s Business Centers (AWBC)
CDFI Coalition
Community Reinvestment Fund, USA
Disability:IN
Friends of the SBA Microloan Program
Gusto
International Franchise Association
Mission Lenders Working Group
National Association of Development Companies (NADCO)
National Association of Latino Community Asset Builders (NALCAB)
National Association of Women Business Owners (NAWBO)
National Development Council (NDC)
Opportunity Finance Network (OFN)
Page 30 Coalition
Small Business & Entrepreneurship Council
Small Business Majority
Small Business Roundtable (SBR)
U.S. Black Chambers, Inc.
United States Hispanic Chamber of Commerce
Women Impacting Public Policy (WIPP)

cc:

The Honorable Nancy Pelosi
The Honorable Kevin McCarthy
The Honorable Charles Schumer
The Honorable Mitch McConnell