

United States Senate

WASHINGTON, DC 20510

May 6, 2022

The Honorable Isabella Casillas Guzman
Administrator
United States Small Business Administration
409 3rd Street, SW
Washington, DC 20416

Dear Administrator Guzman:

We are writing to express disappointment in the Small Business Administration's (SBA) decision to close down the COVID EIDL program ahead of the May 6th deadline that it announced to borrowers last week. This decision is particularly confounding when, by the agency's own admission, additional funding remains available for transfer to the EIDL program under the authority of section 90006(b)(2)(A) of the *Infrastructure Investment and Jobs Act* (IIJA). By prematurely shutting down the program, the agency appears to have prioritized its own administrative needs over those of the thousands of borrowers that await decisions on their applications. Furthermore, it has done so in a way that has needlessly confused borrowers and raised expectations.

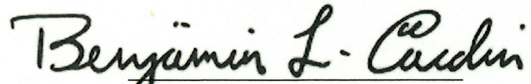
Over the past week, SBA sent notifications encouraging existing borrowers to apply before the program closed on May 6th. By announcing that the program was out of funds on May 5th, prior to the application deadline, the SBA has misled thousands of struggling small businesses into believing that funding for EIDL loans would be available.

Furthermore, if funding does indeed remain available that could be transferred under the authority of the IIJA to serve borrowers in the EIDL loan program, SBA should exercise that authority immediately so that pending applications for modifications, rehearings and appeals can be processed and funded.

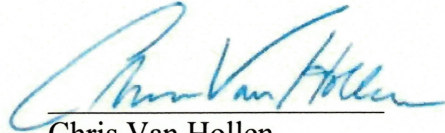
The administration's request in the President's Budget for \$320 million in transfer authority from the EIDL Targeted Advance program has not been approved by Congress, and it is not within the administration's authority to prejudge Congress's intent by setting aside funding for program administration when eligible small businesses have yet to be served. Considering that SBA transferred \$500 million to its administrative account less than two months ago under separate authority in section 90006(b)(2)(B) of the IIJA, the decision to refuse to tap funding that could be used to keep the EIDL program operational is that much harder to comprehend.

We expect your agency to take swift action to make all available funding accessible to eligible applicants immediately and look forward to your prompt response.

Sincerely,



Benjamin L. Cardin
Chairman
Senate Committee on Small Business
and Entrepreneurship



Chris Van Hollen
Chairman
Senate Appropriations Subcommittee
on Financial Services and General
Government