

United States Senate

March 23, 2021

The Honorable Isabella Casillas Guzman
Administrator
U.S. Small Business Administration
409 3rd Street, SW
Washington DC 20416

Dear Administrator Guzman:

Congratulations on your confirmation as Administrator of the U.S. Small Business Administration (SBA). I look forward to working closely with you and the agency to support Nevada's small business community and ensure that it has the resources it needs to recover from the economic effects of the COVID-19 pandemic. As we do so, I urge you to lift the prior Administration's arbitrary caps on EIDL loans and grants, which have withheld critical relief from America's small businesses during a time when they need our continued support.

On March 27, 2020, the *Coronavirus Aid, Relief, and Economic Security Act (CARES Act)* was signed into law to provide support to our nation's small businesses as they struggled to stay afloat and keep their workers on payroll during the COVID-19 pandemic. Within the *CARES Act*, Congress authorized the COVID-19 Economic Injury Disaster Loan (EIDL) program, designed to provide expedited access to capital to small business owners who faced significant challenges maintaining payroll, retaining employees, and covering daily expenses during the pandemic.

A few weeks after passage of the *CARES Act*, the SBA under the Trump Administration took the unprecedented action of placing a cap on the maximum EIDL loan amounts. Loans for struggling small businesses were capped at \$150,000, rather than the \$2 million as set out in federal law. SBA also capped critical EIDL Advance grants \$1,000 per-employee, up to \$10,000, rather than providing all eligible small businesses the full \$10,000 Congress promised them and which they deserved, regardless of their size or location. These actions were in direct contravention of the explicit congressional intent of the *CARES Act*, leaving many small business owners without sufficient support to keep their businesses open and workers on payroll. Given the success of the small business relief programs we have created, Congress has replenished the EIDL program. Despite these additional resources, the last Administration refused to lift the caps. In response, I introduced bipartisan legislation to lift the caps legislatively. However, given that SBA can immediately eliminate the caps without Congress having to pass any additional legislation, I urge you to take action now and make sure more relief is available for our nation's small businesses.

As the pandemic continues, it remains critical that the SBA uses all of its available tools to assist small businesses that continue to struggle, and I stand ready to support you and the agency in

securing the resources needed to fairly and effectively provide assistance to our nation's small business community.

Thank you for your consideration of this request and for your willingness to serve during these challenging times to ensure that our nation's small businesses have the support they need to succeed. I am confident that the support available in the EIDL program, and by removing SBA's caps on the program, will help fuel the economic potential of our small businesses as they navigate through the ongoing pandemic.

Sincerely,



Jacky Rosen
United States Senator