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COMMITTEE ON WAYS AND MEANS
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SUBCOMMITTEE ON SOCIAL SECURITY

COMMITTEE ON SMALL BUSINESS
SUBCOMMITTEE ON ECONOMIC GROWTH, TAX
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Congress of the United States
House of Representatives
Washington, DC 20515-1310

July 14, 2020

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

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

Dear Secretary Mnuchin and Administrator Carranza,

Thank you for your efforts to assist small businesses navigate this unprecedented economic crisis resulting from the COVID-19 pandemic. I look forward to continuing our work together and appreciate your coming testimony before the House Small Business Committee.

I am writing in advance of the hearing to share my concerns that the federal government is not yet doing everything necessary to sufficiently prepare for an anticipated resurgence of COVID-19 cases—and with it, ongoing economic uncertainty. Thus far, I have been disappointed with the incomplete and inconsistent answers from the Treasury Department and the Small Business Administration (SBA) about any long-term planning your teams are doing to fully anticipate the needs of the coming months. My desire is to use Friday's hearing as an opportunity to constructively discuss what lessons you have learned over the past few months, and how we can apply these lessons as we prepare for the challenges ahead.

In preparation for Friday's hearing, I ask that you please consider your responses to the following questions which I anticipate asking during the hearing:

- 1) What economic forecasting or modeling, if any, has been completed by the Treasury Department or the SBA to better anticipate future demands for the Paycheck Protection Program (PPP), the Economic Injury Disaster Loan (EIDL) program, or other federal resources for small businesses? What lessons should the House Small Business Committee take away from this work as we draft additional legislation?
- 2) What has the Treasury Department or SBA learned about what small businesses have stated they need over the next 3-, 6-, and 12-months to weather the pandemic and the associated economic downturn? How sufficiently have the PPP and EIDL programs met these needs? What gaps remain? What lessons should the House Small Business Committee take away from this work as we draft additional legislation?

- 3) As we look towards the fall and the expected ongoing economic uncertainty, what should we be doing now to make sure we do not repeat the mistakes of the spring—from poor communication with EIDL borrowers to scattershot guidance for PPP lenders? What do the Treasury Department and the SBA need from Congress to ensure you have the resources to properly assist small businesses?

As Congress considers additional legislation responding to the COVID-19 pandemic, and as this Committee continues its work to help small businesses, I believe it is imperative that the Treasury Department and SBA think strategically about the federal government's posture going forward. I also believe it is critical that you keep Congress apprised on anticipated needs and gaps in resources.

Thank you in advance for your consideration of these questions. I look forward to a productive and informed conversation on Friday. Should you have any questions between now and then, please do not hesitate to contact my office.

Sincerely,

A handwritten signature in blue ink, reading "Bradley S. Schneider".

Bradley S. Schneider
Member of Congress