

**Congress of the United States**  
**Washington, DC 20515**

May 4, 2020

The Honorable Steven T. Mnuchin  
Secretary of the Treasury  
U.S. Department of the Treasury  
1500 Pennsylvania Avenue NW  
Washington, D.C. 20220

The Honorable Jovita Carranza  
Administrator  
Small Business Administration  
409 Third Street, SW, Suite 7900  
Washington, DC 20416-2230

Dear Secretary Mnuchin and SBA Administrator Carranza:

We are writing to express our grave concern that small businesses in Alaska and Hawai'i are not receiving anywhere close to their fair share of the Small Business Administration's (SBA) Economic Injury Disaster Loan (EIDL) Program funding. We ask for clarification on how the SBA will administer the second round of EIDL Program funding and assurances that the funding will be distributed fairly across the country.

The SBA's latest data from April 24, 2020 reveals that the SBA has only awarded 8 loans in Alaska with a total value of \$3,120,100; in Hawai'i, the SBA has only awarded 17 loans with a total value of \$3.4 million. Compared to other states, Alaska has received the lowest amount of EIDL loan money, and Hawai'i has received the second lowest amount. Hawaii's EIDL loan money is the lowest in the nation both per capita and per small business. Per small business, Hawai'i has received less than 20 times what the states receiving the most have received.

These low EIDL loan numbers cannot be explained by the date on which SBA approved Hawaii's Coronavirus Disease 2019 (COVID-19) economic disaster declaration. According to the SBA's *Federal Registry* notice, Hawai'i was approved on March 20, 2020, along with fourteen other states—all of which have received more EIDL loans than Hawai'i. Alaska was approved just one day later, on March 21, 2020, along with three other states. Those three other states (Iowa, Kansas, and Missouri) have received far more in EIDL loans—on average, more than 15 times the amount that Alaska has received.

With 1,153,535 applications nationwide receiving advances but still waiting on their loans, we are concerned that the SBA will not accept new applications. If the SBA does not accept new applications, countless small businesses in Alaska and Hawai'i, including farmers who recently became eligible for the program, will not be able to apply for assistance. It is critical that the SBA explain its plan to process current applications in their pipeline and accept new applications from those desperate for federal assistance.

Our offices have also received numerous complaints from constituents asking for help to simply obtain the status of their EIDL application. Because the streamlined EIDL application process does not send a confirmation email, some have applied to the program multiple times. Although the SBA allows applicants to check the status of their

application through the SBA website, by phone and via email, our constituents have reported technical issues and long wait times making it difficult for them to obtain any information. When they do get through, they are not given any useful information, such as when they can expect their loan to be processed.

As the SBA prepares to administer the second round of EIDL funding, there are too many unanswered questions. To that end, we respectfully request answers to the following questions:

- Why have so few loans been awarded to businesses in Alaska and Hawai‘i?
- What percentage of loan applications have been approved for businesses and nonprofits in these states? How does that compare to loan approvals in other states?
- What is the SBA’s process for calculating and awarding EIDL advances?
- Has the agency released guidance to limit these advances on a per employee basis? If so, how was this guidance communicated to Congress?
- Now that Congress has provided an additional \$50 billion in funding for EIDL, when will the SBA start accepting new applications for EIDL?
- If the SBA is not planning to accept new applications, how is it planning to execute the provision of the *Paycheck Protection Program and Healthcare Enhancement Act*, which expanded EIDL eligibility for farmers? How will the SBA follow Congress’s intention to provide EIDL loans and advances to farmers who were not eligible for the first round of funding?
- How will the SBA prioritize EIDL applications that were already submitted? For example, will a state-by-state or regional distribution of funding be considered, or will applications that have already received an emergency advance be given priority for loans over new applications?
- How many EIDL loans and advances does the SBA expect to administer?
- Does the SBA have a plan to send applicants an automatic confirmation that their applications have been received?
- What actions has the SBA taken to help applicants promptly receive the status of their pending application?

Please respond to our questions by Thursday, May 7, 2020, as we want to ensure the program is running properly before the second round of EIDL funding is used. Further, please provide the SBA’s plan for posting future data regarding the number of loans approved, dollars approved, number of advances, dollars advanced, and number of applications compared to existing data on the number of small businesses per state. This data would allow for greater transparency in the administration of EIDL funds.

We want to thank you for you and your staff's responsiveness to our previous inquiries, and we look forward to continuing to work together to help small businesses survive the economic crisis caused by COVID-19.

Sincerely,



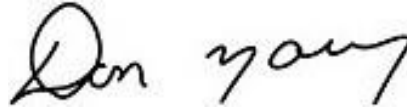
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