

United States Senate  
WASHINGTON, DC 20510

April 28, 2020

The Honorable Steven Mnuchin  
Secretary  
Department of the Treasury  
1500 Pennsylvania Avenue NW  
Washington, DC 20220

The Honorable Jerome H. Powell  
Chairman  
Board of Governors of the Federal Reserve System  
20<sup>th</sup> Street and Constitution Avenue NW  
Washington, DC 20551

Ms. Jovita Carranza  
Administrator  
United States Small Business Administration  
409 Third Street SW  
Washington DC 20416

Dear Secretary Mnuchin, Chairman Powell and Administrator Carranza,

As you may be aware, several of the nation's systemically important financial institutions (SIFI), including Citibank, Bank of America, JP Morgan Chase and others, continue to use their market dominance to financially discriminate against legal and compliant businesses for political reasons. This includes the firearms and ammunition, oil and gas, coal and private corrections industries, to name a few. A vocal but small minority has weaponized federally-backed banks against politically disfavored businesses that operate in good faith and compliance with the law, by denying them financial services based on political reasons that have nothing to do with creditworthiness.

Small business creation and ownership are the backbone of many in these industries and access to competitive and predictable capital, loans, and other financial services are critical as they seek to recover from the economic impacts of the Covid-19 pandemic.

The Small Business Administration needs to use all available resources and assets in its efforts to move financial resources into local communities as quickly and efficiently as possible. However, we are concerned the nation's largest financial institutions will use participation in the Paycheck Protection Program and other SBA recovery loan programs to further financial discrimination policies against selected segments of the economy, based on their social policy and in opposition to SBA eligibility regulations.

SBA's recently released interim final rule for implementation of the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) provides that "the lender must determine whether the


applicant is one of the types of businesses listed as ineligible in SBA regulations (13 CFR 120.110).” We find it extremely disconcerting that, while the vast majority of SBA program lenders do not promote financial discrimination policies, many of the nation’s largest institutions currently do.

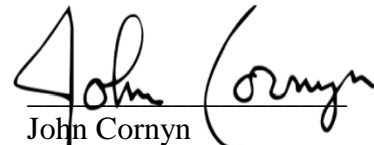
With that in mind, we would appreciate your providing answers to the following questions:

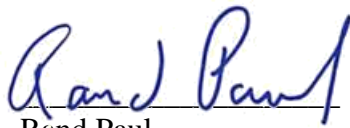
- What efforts have SBA and the Administration made to ensure the nation’s largest financial institutions approve and distribute Paycheck Protection Program and other SBA disaster relief funds in a prioritized and unbiased manner?
- How has SBA and the Administration communicated to large financial institutions that current SBA 7a Loan Program eligibility regulations are to be strictly adhered to?
- How does SBA and the Administration address potential conflicts between social governance responsibility commitments of financial institutions which violate or contradict SBA loan program eligibility regulations?


I look forward to your timely response about this situation. Please do not hesitate to contact my office with any questions.

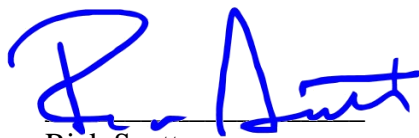
Sincerely,

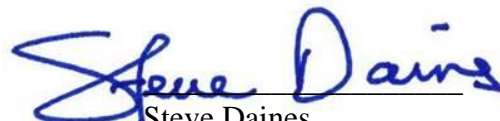
  
Kevin Cramer  
United States Senator

  
John Cornyn  
United States Senator

  
Rand Paul  
United States Senator

  
Ted Cruz  
United States Senator

  
Rick Scott  
United States Senator

  
Steve Daines  
United States Senator



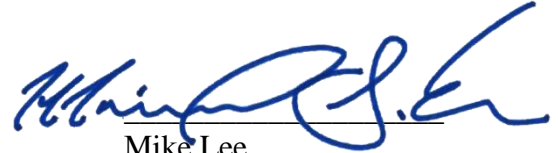
Tom Cotton  
United States Senator



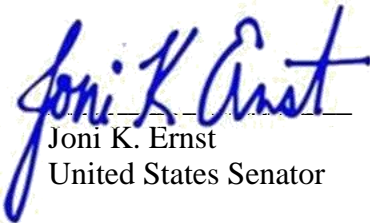
Lisa Murkowski  
United States Senator



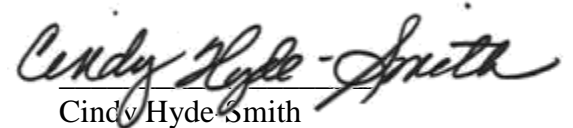
Shelley Moore Capito  
United States Senator



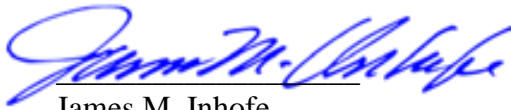
Mike Lee  
United States Senator



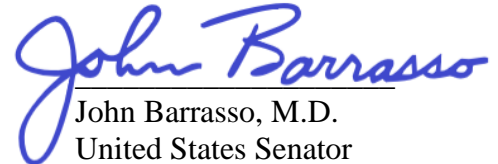
Joni K. Ernst  
United States Senator



Cindy Hyde-Smith  
United States Senator



James M. Inhofe  
United States Senator



John Barrasso, M.D.  
United States Senator



John Hoeven  
United States Senator



Ben Sasse  
United States Senator



Mike Braun  
United States Senator



Josh Hawley  
United States Senator

*John Thune*  
John Thune  
United States Senator