



September 10, 2020

The Honorable Marco Rubio
Chairman
Committee on Small Business &
Entrepreneurship
U.S. Senate
Washington, DC 20510

The Honorable Ben Cardin
Ranking Member
Committee on Small Business &
Entrepreneurship
U.S. Senate
Washington, DC 20510

Dear Chairman Rubio and Ranking Member Cardin:

On behalf of the undersigned signatories representing thousands of local, state, and national organizations, we write to you today to express our organizations' concern for the proposed rescission of small business debt relief funding allocated under section 1112 of the *Coronavirus Aid, Relief, and Economic Security (CARES) Act*. The small business debt relief program mandates the Small Business Administration (SBA) to satisfy the loan payments that borrowers owe on 7(a), 504, and Microloan programs in a regular servicing status and relieve the borrower of the obligation to pay that amount for six months.

As the economic turmoil continues, the country's small business ecosystem, particularly within historically underserved and marginalized communities, is grappling with unprecedented revenue-loss and firm-closures. Given these communities' fragile state prior to this year's economic recession, our most vulnerable and smallest businesses remain susceptible to higher-risks and devastation. Unfortunately, the perils are consistent with our predictions. Initial research illustrates that the economic downturn has hit Black, Hispanic, Asian, and women-owned firms the hardest.¹

Notwithstanding, while the economic downturn has hit Mainstreet America in unprecedented ways, federal support in the form of the Paycheck Protection Program, Economic Injury Disaster Loan, and the small business debt relief program has assisted millions of small business owners and entrepreneurs with weathering the Coronavirus-storm. For this reason, lawmakers should work to deploy additional appropriations to initiatives and programs that are proven to help underserved and minority communities. Specifically, the Community Advantage (CA) 7(a), 504, and Microloan programs are leading funding avenues for women and minority small business owners. As such, providing debt relief for the loans will remain essential to pandemic recovery.

¹ Michael Sasso, "Black Business Owners' Ranks Collapse by 41% in U.S. Lockdowns," *Bloomberg Economics*, June 8, 2020, <https://www.bloomberg.com/news/articles/2020-06-08/black-business-owners-suffer-41-drop-in-covid-19-lockdowns>.

As small businesses continue to navigate the pandemic, it is ill-timed for Congress to divert or suppress necessary resources provided to marginalized businesses and mission-based lenders. Likewise, rescinding small business funding of any kind will prove detrimental to already fragile communities.

To this end, we urge Congress to extend the deadline for section 1112 payments identified in the CARES Act to provide extended authority above its September 27, 2020 cutoff to December 31, 2020. Furthermore, we call on lawmakers to oppose legislation that repeals or strikes this crucial program and its funding.

Additionally, we urge legislators to provide supplementary spending authority in the forthcoming Coronavirus stimulus relief deal. These critical legislative actions will ensure that microloan intermediaries, Community Development Financial Institutions (CDFIs), and other community lenders are equipped with the authority to provide recourse to the smallest businesses safely. Most importantly, such activities will safeguard millions of workers and prevent further firm closures as the pandemic persists into its seventh month.

We stand ready to oppose proposed legislation that will eliminate the small business debt relief program. We urge you to oppose such legislation and, in return, provide equitable solutions that will provide community lenders and small businesses with an opportunity to survive, create jobs, and support economic growth in their communities.

Thank you for your attention to this urgent policy request. We commend your work on ensuring that all small businesses receive the resources necessary to withstand the current economic downturn. We urge you to reach out to us directly with any questions, given the timely nature of this evolving legislation. We are available at your convenience and can be speedily convened by contacting our coalition manager, Jamon Phenix via email at jamon@page30coalition.org.

Sincerely,

Page 30 Coalition

Including these leaders from around the country:

1863 Ventures
Accion Opportunity Fund
AnnexTech Partners
Association for Enterprise Opportunity
Association of Women's Business Centers
Audacity Fund
Boston Impact Initiative
Business For A Better Portland
CAMEO - California Association for Micro Enterprise Opportunity
Colorado Lending Source. Ltd.
Common Future
CommonWealth Kitchen
Communities Unlimited
Expanding Black Business Credit

Gusto
Impact Hub Houston
Innovate Coalition Inc.
Local Initiatives Support Corporation (LISC)
Massachusetts Association of Community Development Corporations
myWay To Credit
Native Women Lead
Pacific Community Ventures
Partners for Rural Transformation
Prosperity Now
Rural Community Assistance Corporation
Small Business for America's Future
Small Business Majority
The Entrepreneurship Center @CTI
U.S. Black Chambers
U.S. Hispanic Chamber of Commerce
Virginia Asian Chamber of Commerce
West Philadelphia Financial Services Institution
XXcelerate
Zebras Unite

CC: The Honorable Nydia M. Velázquez, Chairwoman, House Committee on Small Business
The Honorable Steve Chabot, Ranking Member, House Committee on Small Business