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Congress of the United States
House of Representatives
Washington, DC 20515-2803

April 20, 2020

The Honorable Nancy Pelosi
Speaker
U.S. House of Representatives
H-232, The Capitol Building
Washington, D.C. 20515

The Honorable Kevin McCarthy
Minority Leader
U.S. House of Representatives
H-204, The Capitol Building
Washington, D.C. 20515

Dear Speaker Pelosi and Minority Leader McCarthy,

Thank you for your leadership and dedication to addressing the public health and economic crisis caused by the COVID-19 pandemic. As we prepare the next interim relief package and negotiate additional funding for the Paycheck Protection Program (PPP) enacted under the CARES Act, we write to bring to your attention a technical glitch that has inhibited roughly 130 privately insured credit unions nationwide from participating as lenders of these critical PPP funds. We ask for language to be included in any next package to fix this issue by clarifying clear eligibility for privately insured credit unions to offer PPP lending, thereby improving access to this important program for thousands of small businesses in critical need across the country.

Credit unions are not-for-profit, community-based lenders. For many Americans and small businesses across the country, their local credit union is their primary – and sometimes only – provider of their financial services and banking needs. We understand that the Paycheck Protection Program has played an important role in helping small businesses and non-profits maintain their current operations and keep workers on payroll during this national emergency. We also recognize that credit unions' robust understanding of the communities in which they operate makes them vital intermediaries in helping our small businesses and non-profits access critical programs, like PPP, in a timely manner and receive the emergency relief they need to stay afloat.

Privately insured credit unions are insured depository lenders. Under the CARES Act, privately insured credit unions were left out of the authorizing language defining eligible lenders for the PPP program. While the CARES Act as enacted allows for "other lenders that do not already participate in lending under programs of the Administration" to participate as PPP lenders, the Department of the Treasury's guidance has created confusion on whether privately insured credit unions' applications to lend through PPP will be approved if they apply as an "other lender." The current forms offer contradictory guidance: the depository form requires the applying lender to be federally insured, and the "other lender" Form 3705 does not allow the applying lender to list that they are a depository institution. This technicality has inhibited many privately insured credit unions from being approved for PPP lending.

To correct this error and expand PPP lending capacity in our communities, we urge you to include language within the next funding package that clearly clarifies privately insured credit unions as eligible PPP lenders and ensures these credit unions can participate fully and effectively in PPP lending.

This technical fix will ensure that the nearly 130 privately insured credit unions nationwide can successfully offer PPP loans, thereby expanding access to critical relief for small businesses in hundreds of communities across the nation. In conjunction with this statutory fix, the Department of the Treasury and the Small Business Administration will also need instructions to update the Lender Application to allow these credit unions to apply to lend in the Paycheck Protection Program.

As millions of hardworking Americans and small businessowners remain in desperate need of additional PPP funding and expanded access to PPP lending, we thank you for your time in reviewing this matter and look forward to working with you to resolve this technical issue in the next package.

We appreciate your leadership and persistence in fighting for all Americans during this crisis. Thank you for your consideration of this request.

Sincerely,



Susie Lee
Member of Congress



Joyce Beatty
Member of Congress

/s/

Steve Stivers
Member of Congress

/s/

Danny K. Davis
Member of Congress

/s/

Jan Schakowsky
Member of Congress

/s/

Jesús G. “Chuy” García
Member of Congress

/s/

André Carson
Member of Congress

/s/

Sean Patrick Maloney
Member of Congress

/s/

Jamie Raskin
Member of Congress

/s/

Anthony G. Brown
Member of Congress

/s/

Marcy Kaptur
Member of Congress

/s/

TJ Cox
Member of Congress

/s/

Al Green
Member of Congress

/s/

Susan W. Brooks
Member of Congress

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David Trone
Member of Congress

/s/

Henry C. “Hank” Johnson, Jr.
Member of Congress

/s/

Dina Titus
Member of Congress

/s/

Grace F. Napolitano
Member of Congress

CC: The Honorable Maxine Waters, Chair, House Committee on Financial Services
CC: The Honorable Patrick McHenry, Ranking Member, House Committee on Financial Services
CC: The Honorable Nydia Velázquez, Chair, House Committee on Small Business
CC: The Honorable Steve Chabot, Ranking Member, House Committee on Small Business