

ELAINE LURIA
2ND DISTRICT, VIRGINIA

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PROJECTION FORCES

SUBCOMMITTEE ON READINESS

Congress of the United States
House of Representatives
Washington, DC 20515-4602

412 CANNON HOUSE OFFICE BUILDING
WASHINGTON, DC 20515
(202) 225-4215

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HOMELAND SECURITY

SUBCOMMITTEE ON TRANSPORTATION
AND MARITIME SECURITY

January 13, 2022

The Honorable Isabella Casillas Guzman
SBA Administrator
U.S. Small Business Administration
409 3rd St, SW
Washington, D.C. 20416

Dear Administrator Guzman:

Thank you for your work to help stabilize the U.S. economy and support our small businesses during this challenging time. We appreciate your continued efforts to assist businesses that have been struggling because of the COVID-19 pandemic. The pandemic's economic effects have left millions unemployed, and families continue to face financial vulnerabilities while trying to adhere to a patchwork of state and local public health protections.

The CARES Act established the Paycheck Protection Program (PPP), which was designed to provide economic assistance to small businesses critical to our economy. However, many small independent vehicle finance companies engaged in basic auto lending activities for millions of people who received PPP funding last year are now ineligible for PPP loan forgiveness. A small vehicle finance business in my district was approved for PPP funding in April 2020, before the ineligibility rule took effect. When they applied for forgiveness a year later, the SBA said they would not forgive the loan. This has placed undue financial hardship on the business. If they had known their PPP loan would not be forgiven, they would have made other financial decisions and cut certain expenses. However, they sought federal relief to keep their workers employed during a public health crisis.

To help state and local officials identify operations and services personnel essential to ensuring continuity of functions critical to public health and safety, the Department of Homeland Security's Cybersecurity & Infrastructure Security Agency (CISA) designated the financial services sector as one of sixteen vital components of the nation's critical infrastructure.¹ CISA identified workers critical to the manufacturing, distribution, sales, rental, leasing, repair, and maintenance of vehicles as essential during the COVID-19 response.² These independent auto lending businesses operating in large urban areas and rural communities are important participants in helping jumpstart the American economy.

As you know, Congress specified that businesses under 500 employees are eligible for PPP loans to help American businesses pay for necessities during the COVID-19 pandemic. While we

¹ <https://www.cisa.gov/critical-infrastructure-sectors>

² [https://www.cisa.gov/sites/default/files/publications/Version 3.1 CISA Guidance on Essential Critical Infrastructure Workers.pdf](https://www.cisa.gov/sites/default/files/publications/Version%203.1%20CISA%20Guidance%20on%20Essential%20Critical%20Infrastructure%20Workers.pdf)

understand and appreciate the challenges of administering a new program through the SBA to help as many people as quickly as possible, I urge the SBA to clarify that the small vehicle finance industry is eligible to receive PPP loan forgiveness. These small businesses need loan forgiveness to cover payroll costs, rent, and utility costs, during an unprecedented time.

I look forward to working with you on this important matter.

Sincerely,

A handwritten signature in blue ink, appearing to read "Elaine G. Luria". The signature is fluid and cursive, with a horizontal line extending from the end.

Elaine G. Luria
Member of Congress