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April 3, 2020

The Honorable Jovita Carranza
Administrator
US Small Business Administration
409 3rd St, SW
Washington DC 20416

Dear Administrator Carranza,

We write today regarding your agency's implementation of the new loan programs in the Coronavirus Aid, Relief, and Economic Security Act (CARES). The impacts of COVID-19 are affecting many small businesses, including America's farmers. We must take quick action to aid farmers at a time when we need a stable and reliable food supply. We urge you to ensure the new programs you are implementing include farmers, ranchers, rural businesses, and cooperatives.

We understand the Small Business Administration has taken the position farms are not eligible for the new Economic Injury Disaster Loans provided in section 1110 of CARES. While farms are not eligible for the Economic Injury Disaster Loans under the previous law, CARES creates new requirements for an Economic Injury Disaster Loan program for COVID-19 for a limited time. In doing so, section 1110(a)(2) of CARES expands eligibility of the previous program by specifically defining eligible entities. Notably, as the new definition of eligible entities does not explicitly exclude farms, Congress intended farms to qualify provided they fit within one of the specific criteria for eligibility. Given this, we ask you immediately adjust the guidance on your website and allow agricultural businesses and farms to seek loans under the new COVID-19 Economic Injury Disaster Loan program if they meet the criteria of one of the eligible entities.

Similarly, Congress expanded eligibility for the new Paycheck Protection Program in section 1102(a) of CARES beyond the current scope of section 7(a) of the Small Business Act to include any business (including agricultural businesses and farms) with not more than 500 employees, eliminating other limitations based on receipts under the previous 7(a) loan program. We are concerned, however, that without additional flexibility some farms will have limited access to the new Paycheck Protection Program because their agricultural enterprises do not pay "wages" in the strict sense. Farmers and ranchers often have different needs and attributes than other small businesses. Specifically, while developing requirements for sole proprietors in the CARES new Paycheck Protection Program, please keep in mind many agricultural operations have had limited income over the past few years or do not pay themselves or others a wage. We ask you implement the loan programs for these sole proprietors consistent with the flexible payroll definition in section 1102(a)(2) of CARES to include "net earnings from self-employment, or

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similar compensation", including consideration of alternative payroll calculations for sole proprietors who had taken little to no actual salary over the recent years or have no meaningful monthly payroll expense. And to achieve the broadest access to the Paycheck Protection Program in rural America, we urge you to ensure that all eligible lenders are granted immediate access to the Small Business Administration lending portal.

We thank you for considering these comments and quickly implementing these important loan programs which are critically important for our nation's small businesses, including those involved in agricultural and food production.

Sincerely yours,



Pat Roberts
Chairman



Debbie Stabenow
Ranking Member