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April 30, 2020

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

Dear Mr. Secretary,

I want to thank you for your contributions to the struggle against the economic crisis caused by COVID-19 and its impact on our livelihoods. I write today extremely concerned about growing reports of large revenue corporations receiving money earmarked for the Paycheck Protection Program (PPP) and not pursuing the alternative financing made available in the CARES Act. I encourage you to take action to return money to the PPP from the first tranche and to enforce guidance to prevent this from happening again in the second tranche.

According to research done by the JP Morgan Chase Institute, half of all small businesses only have 27 cash buffer days if revenues were to stop. The median changes if we look at specific industries, with restaurants and retail only having 16 and 19 days before they can no longer function. It has now almost been a month since the PPP was launched and almost two months since the first restrictions on commerce started coming. We were operating on borrowed time to begin with and the situation requires even greater efforts to stabilize.

These small businesses held on to their employees in the hope and expectation that Federal assistance was forthcoming, only to find out that corporations with alternative financing mechanisms took the loans first. Now, these employers who listened to our advice are in a worse off position than if they had fired their employees. The intent of this program was to maintain work relationships for as many people as possible in the

very organizations that are simultaneously the backbone of our economy and lacking the same types of opportunities open to large revenue producing corporations. I respect those corporations that have taken the initiative to return their loans after seeing how necessary this program is for the survival of our small businesses. It is unfortunate that some corporations have not followed their lead, but it is necessary to reacquire as much of the loans as possible in order to direct vital aid to the struggling. I look forward to seeing exactly how your department will act to ensure a fair distribution of the PPP in line with Congressional intent.

Sincerely,

A handwritten signature in black ink, appearing to read 'W. Gregory Steube', written in a cursive style.

W. Gregory Steube
Member of Congress