



U.S. Small Business  
Administration

**Statement of Jovita Carranza  
Administrator  
U.S. Small Business Administration**

**before the  
House Committee on Small Business**

**Hearing on “Oversight of the Small Business Administration and Department  
of Treasury Pandemic Programs”**

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**Administrator**  
**U.S. Small Business Administration**

Good morning, Chairwoman Velazquez, Ranking Member Chabot, and members of the committee. Thank you for inviting me to testify today.

For the last four months, the U.S. Small Business Administration (SBA) has been engaged in an unprecedented effort to provide critical economic relief to America's small businesses. These pandemic programs have engaged the entirety of the agency's staff and program offices. They have also involved unique partnerships, like our work with the Department of the Treasury (Treasury), on the Paycheck Protection Program (PPP).

The SBA has provided over \$660 billion in much needed economic relief to small businesses across the country through the PPP, the agency's economic injury disaster loan (EIDL) program, and the business loan debt relief program. These programs have made a significant difference in communities and to our economy.

Soon after passage of the CARES Act, the agency and the Department of the Treasury worked to implement the PPP, an entirely new business assistance program. We jointly released program rules and guidance and have been providing regular updates to Congress and the public. As of July 10, the PPP has resulted in over 4.9 million loans, made by over 5,400 lenders, and totaling over \$517 billion. The PPP has supported the employment of over 50 million American workers and greater than 80 percent of the small business payroll across the country.

The daily and weekly data release includes topline figures on the PPP and provides a very detailed breakdown on the loans by lender size; figures on loans and dollars approved by state and territory; and an overview of the loans made to businesses by industry sector. All this information is publicly available on the SBA website. In addition, comprehensive program information was released to the public recently detailing loan and lender information from the beginning of the PPP.

The agency, through our Office of Capital Access, has approved over 3,600 new lenders who have never before participated in SBA lending programs. This includes non-bank and non-traditional lender institutions. Through the hard work of the staff managing the lending system, the program office have approved over 63,000 new users to the loan management portal, E-Tran, resulting in over 3 million system actions, such as providing user access, password resets, and account changes. The agency also reviewed and approved over 400 new franchise systems to the agency's franchise directory.

As the weekly data sets show, over 5,300 lenders are in the smallest lender category, and they have made the highest number of loans. Working with Treasury, we created equity in the program through diversifying the pool of authorized lenders, including community banks, credit unions, fintech companies, farm credit lenders, and minority-focused institutions. Over 420 Community Development Financial Institutions (CDFIs) and Minority Development Institutions (MDIs) are participating in the program.

There are various other areas of agency activity that have also been essential in supporting small businesses through the pandemic. The agency Office of Entrepreneurial Development worked quickly with the SBA resource partners to enable small business education and training, through CARES Act funding through Small Business Development Centers (SBDCs) and Women's Business Centers (WBCs). The agency has awarded grants to all 62 SBDC lead centers and to all 113 WBCs. The agency also worked with the associations to develop and fund a common website, available to all small businesses.

Another area in which the agency is helping small businesses is through resources in 17 different languages. The agency worked hard to create materials on pandemic programs in Spanish; Arabic; Chinese (Mandarin/Cantonese) Simplified; Chinese (Mandarin/Cantonese) Traditional; French; German; Gujarati; Haitian Creole; Hindi; Italian; Japanese; Korean; Polish; Portuguese; Russian; Tagalog; and Vietnamese. The agency developed the expanded list of language offerings with input from our Office of Field Operations, the program office which comprises the agency's district office staff.

Regarding the EIDL program, SBA's Office of Disaster Assistance (ODA) has now approved and distributed more in loans for COVID-19 than for all other disasters combined in the history of the agency. The agency has provided over 8.4 million loans and advances with over \$170 billion in economic aid through these loans and advances. Along the way, we stood up an entirely new distribution program, implemented various eligibility changes, and have reached new heights in our disaster loan processing and disbursement times. SBA recently exhausted the \$20 billion Congress appropriated for EIDL advances and has ended that program. We continue to process and approve EIDL loans.

Another important area of economic aid involves the debt relief portion of the CARES Act, providing six months of principal and interest payments to existing SBA business loan borrowers. This financial assistance is available for existing or new SBA business loans through the agency's 7(a), Microloan, Community Advantage, and 504 programs. From April through June, the agency provided over 834,000 payments for over \$3.2 billion. In addition to the PPP and EIDL program, this has been another very important means of economic assistance for small businesses.

The agency has also worked to make it easier for states and small businesses that export, by providing quick guidance on the use of funds under the agency's State Trade Expansion Program (STEP). Many trade events and international trade missions were affected by pandemic-related travel restrictions, and the CARES Act allows the agency to reimburse states for cancelled foreign missions or trade shows. SBA's Office of International Trade (OIT) was quick to issue guidance in early April, and OIT modified quarterly STEP reporting requirements to include reimbursement for COVID-19 related losses.

Another area of activity I want to share is with small business contractors. SBA's Office of Government Contracting and Business Development (GCBD) has conducted extensive outreach to federal contracting stakeholders to provide COVID-19 guidance. The program office was very responsive to federal agencies in processing waivers, resulting in set-aside awards for small

businesses. GCBD staff created curricula for 7j training-eligible firms addressing COVID-19 impacts, like meeting payroll and continuity of operations. The agency conducted outreach to thousands of small business contractors who might meet federal agency PPE and COVID-19 requirements, and our staff connected them with the appropriate federal agencies. GCBD staff also implemented program flexibilities to lessen the COVID-19 related burdens on HUBZone and 8(a) program participants.

Lastly, I want to share the continued actions we are taking as an agency to fulfill our governance responsibilities in managing CARES Act programs and funds. I created an integrated, agency-wide team that will coordinate SBA's internal oversight. Our Office of the Chief Financial Officer is leading a team to oversee the execution of funding, develop quality assurance processes, measure program performance, and support the deployment of appropriate resources for compliance.

Let me close by thanking the Chairwoman, Ranking Member, and all members of the committee for your continued support of the agency, your work with our district office staff, and our partnership in helping America's small businesses at this critical time. The programs enacted through the CARES Act are essential economic relief programs, and we will continue to work together to ensure their success.

Thank you again for the opportunity to testify today.