Congress of the United States Washington, DC 20515

May 28, 2020

The Honorable Jovita Carranza Administrator U.S. Small Business Administration 403 3rd St SW Washington, DC 20416 The Honorable Steven T. Mnuchin Secretary U.S. Department of the Treasury 1500 Pennsylvania Ave NW Washington, DC 20220

Dear Administrator Carranza and Secretary Mnuchin:

We write with serious concern regarding recent attempts by the Small Business Administration (SBA) to target Planned Parenthood health centers that have participated in the Paycheck Protection Program (PPP). The PPP was created to help all eligible recipients regardless of ideology or politics. We are deeply troubled that SBA appears to be engaged in targeted, ideologically based attacks against critical safety-net health care providers.

As the United States grapples with the novel coronavirus pandemic, we strongly urge SBA to cease its ideologically motivated attacks against these safety-net health care providers and instead focus on providing America's small businesses and not-for-profit organizations with the critical support they need during this crisis.

The PPP—which was established by the Coronavirus Aid, Relief, and Economic Security (CARES) Act with broad, bipartisan support—is intended to provide cash flow assistance to qualifying employers who maintain their payroll during the coronavirus pandemic.¹ Under the CARES Act, both for-profit and 501(c)(3) not-for-profit organizations were deemed eligible for PPP loans. During this unprecedented crisis, not-for-profit organizations have faced severe economic challenges, at the same time, their role in providing critically-needed services—including health care services—has become even more essential.

In an attempt to pressure Planned Parenthood health centers into returning their PPP funds, SBA reportedly sent letters to more than 30 health centers informing them that they were ineligible for loans.²

Contrary to the claims made in these letters—as well as those made in conservative media reports and by Republican elected officials—local Planned Parenthood organizations operate as independent 501(c)(3) organizations, and those that have fewer than 500 employees are not barred from participating in PPP, consistent with SBA's rules governing affiliation status and size.³

² Planned Parenthoods Received \$80 Million in PPP Loans. Now, the SBA Wants It Back., CBS News (May 22, 2020) (online at www.cbsnews.com/news/planned-parenthood-paycheck-protection-program-loan-controversy/).

¹ Coronavirus Aid, Relief, and Economic Security Act, Pub. L. No. 116-136.

³ Planned Parenthood Federation of America, *PPFA Denounces Political Attacks on Local Planned Parenthood Health Centers* (May 20, 2020) (online at www.plannedparenthood.org/about-us/newsroom/press-releases/ppfa-denounces-political-attacks-on-local-planned-parenthood-health-centers); Department of the Treasury, *Affiliation*.

SBA's letters—in conjunction with the Trump Administration's continued attempts to undermine reproductive health—raise serious questions about whether Planned Parenthood health centers are being targeted among the 4.3 million loans issued under this program. That conservative media outlets began reporting on these letters before they were even received by Planned Parenthood recipients—and that there has been no similar reporting about other comparably organized not-for-profit organizations that received PPP loans—suggests a coordinated effort to attack these health centers on ideological grounds.⁴

It is critical that SBA administer the PPP in a uniform manner that does not seek to exclude any entity or subset of entities on the basis of political ideology. We therefore strongly urge SBA to stop targeting Planned Parenthood health care centers and instead dedicate critical resources to ensuring that small businesses and not-for-profit organizations across the United States can access the financial support they critically need during the coronavirus pandemic.

Thank you for your immediate attention to this matter.

Sincerely,

Rep. Nydia Velázquez Chair House Small Business Committee

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Rep. Judy/Chu Chair Subcommittee Investigations, Oversight and Regulations

Rep. Barbara Lee Co-Chair Congressional Pro-Choice Caucus

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Rep. Carolyn B. Maloney Chair House Oversight Committee

Rep. Diana DeGette Co-Chair Congressional Pro-Choice Caucus

⁴ Planned Parenthood Affiliates Improperly Applied For and Received \$80 Million in Coronavirus Stimulus Funds, Feds Say, Fox News (May 19, 2020) (online at www.foxnews.com/politics/planned-parenthood-coronavirusstimulus-money-ppp-return).

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