

Congress of the United States
Washington, DC 20515

April 29, 2020

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

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

Dear Administrator Carranza and Secretary Mnuchin,

We write to you today to request further guidance on how lenders can adequately meet the demand by agricultural producers for the paycheck protection program (PPP). We realize this will require additional flexibility be provided for farmers who are currently excluded from the paycheck protection program (PPP) due to factors outside of their control. We do appreciate the recent guidance released over the weekend for farmers but feel more will be needed to ensure that some of the hardest hit farmers will be able to access this critical lifeline. Therefore, we ask your agencies to work in a coordinated manner with the USDA and put forward alternative eligibility requirements for farms that were unable to post a profit in recent years.

Agriculture entities account for their operations uniquely, and unlike other small businesses, some family farms do not report a final profit on their 1040F forms, although farming is their main source of income. This can be for several reasons, such as the sluggish markets that farmers have experienced over the last several years. However, even during this market downturn the Farm Service Agency and others at USDA have been able to use alternative ways to adequately account for loan underwriting risk and interpret business operations in order to administer various farm loans to farmers every year. We remain concerned that the farms not posting a profit, particularly after several years of difficult farming conditions, are the ones that are most likely to cease operations permanently if they are unable to access the support programs available to other small businesses.

We believe that simple commonsense metrics already exist in USDA loan programs that would allow for farmers to prove that their farms should be eligible for the PPP. We ask that you work with partners at USDA to clearly lay out what these alternative metrics should be and give farmers an even playing field with other small businesses. With time being of the essence, we request that you work to release any alternative methods of income verification to farmers this week to ensure they have an opportunity to access the PPP before the current round of funding is exhausted.

We appreciate your thoughtful and timely consideration of this request. Please let us know if we can provide any further information or if you have any questions. We look forward to your response.

Sincerely,



Ron Kind
Member of Congress



John Joyce
Member of Congress



Anthony Brindisi
Member of Congress



Glenn "GT" Thompson
Member of Congress