

U.S. Sen. Baldwin: Joins bipartisan group of Senators urging SBA to process all eligible COVID EIDL applications

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WASHINGTON, D.C. – U.S. Senator Tammy Baldwin joined a bipartisan group of Senators today urging U.S. Small Business Administration (SBA) Administrator Isabella Casillas Guzman to process COVID Economic Injury Disaster Loan (EIDL) applications that were received prior to the agency’s May 6, 2022 deadline.

The COVID EIDL program has provided loans to nearly four million small businesses since the beginning of the pandemic—serving as an essential source of capital for small businesses, especially those that could not obtain credit to survive the pandemic from other lenders.

“While we recognize the agency has assisted an unprecedented number of small businesses throughout the pandemic, our offices continue to hear from thousands of prospective borrowers awaiting consideration,” **the Senators wrote in a letter to the SBA.** “We also continue to hear from EIDL applicants with disputed rejections who have received no communication from the administration in months. EIDL was a lifeline for businesses throughout this pandemic, but many of them continue to struggle. The program is too important to shut down prematurely. While funds remain, we expect SBA to process all eligible applications and appeals that have been submitted by the request deadline.”

On Thursday, April 28, the SBA announced a May 6, 2022 submission deadline for COVID EIDL loan modifications, increase requests, and denial reconsiderations. Many applicants who submitted their applications prior to the deadline remain in

limbo due to the SBA's decision to stop processing certain applications. Instead, the SBA has issued a vague commitment to process "workable" applications, which has led to many deserving borrowers not receiving the funds they need.

The Senators continued, "Given that many applicants have not received final consideration, we find it difficult to understand SBA's decision to stop processing requests that were submitted by the May 6th submission deadline... 'Workability' is not an acceptable standard to justify rejecting a borrower who is eligible and in need. The bar for denial is eligibility, not SBA's willingness to continue processing applications. We find it particularly troubling that your agency continues to tell our offices that loans cannot be completed due to the exhaustion of funds when \$800 million in loan subsidy remains - enough to support more than \$7 billion in lending."

The letter was led by U.S. Senate Committee on Small Business & Entrepreneurship Chair Ben Cardin (D-MD) and U.S. Senators John Cornyn (R-TX), Chris Van Hollen (D-MD), and Roger Wicker (R-MS).