



March 31, 2020

The Honorable Steven Mnuchin
Secretary of the Treasury
1500 Pennsylvania Avenue, Northwest
Washington, D.C. 20220

Ms. Jovita Carranza
Administrator
U.S. Small Business Administration
409 3rd Street, Southwest
Washington, D.C. 20416

Dear Secretary Mnuchin and Administrator Carranza:

Thank you for your ongoing efforts to deliver urgent assistance to America's working families and small businesses in response to the coronavirus crisis.

As the Administration crafts guidance to implement the small business assistance Paycheck Protection Program (PPP) as part of the recently enacted Coronavirus Aid, Relief, and Economic Security (CARES) Act, we urge you to exercise the appropriate discretion under the law to secure coverage for as many small businesses under 500 employees as possible.

Many small businesses in our districts that employ fewer than 500 employees, particularly startup companies with equity investors, have expressed concerns that an overly strict application of the Small Business Administration's (SBA) affiliation rule may exclude them from eligibility for PPP loans. For these small businesses, as for many others across America, access to forgivable PPP loans will be critical to preserving jobs during the coronavirus pandemic and to securing America's leadership in science, technology and innovation.

Startups are the engine of America's innovation economy and our districts in California's Bay Area and Silicon Valley are home to thousands of these companies. Other high-tech hubs around the country with a strong startup ecosystem will also be in need of PPP financing to preserve jobs and survive. From clean technology to sustainable agriculture to biotechnology, startups create high-paying jobs and make important contributions to America's economy.

PPP loans as provided for under the CARES Act are designed to help small businesses cover their payroll costs and other key expenses through the coronavirus crisis. We urge you to issue guidance as expeditiously as possible and to afford our nation's startups access to a critical source of credit in the coming months.

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Thank you for considering our views. We look forward to working with you to help America's families and small businesses successfully recover from one of the gravest health and economic emergencies our country has faced in over 100 years.

Sincerely,



NANCY PELOSI
Speaker of the House



RO KHANNA
Member of Congress

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