

# United States Senate

WASHINGTON, DC 20510

April 8, 2020

The Honorable Jovita Carranza  
Administrator  
U.S. Small Business Administration  
409 3<sup>rd</sup> St, SW  
Washington, DC 20416

Dear Administrator Carranza:

We write to express concerns that we have heard from our constituents in Minnesota regarding the eligibility of farmers and rural businesses to access the new Small Business Administration (SBA) loan programs authorized in the Coronavirus Aid, Relief, and Economic Security (CARES) Act. As you implement these important programs, we urge you to take steps to ensure that farmers, rural businesses, and cooperatives will have timely access to this relief.

In enacting the CARES Act, Congress sought to expressly include certain farmers as eligible recipients of Economic Injury Disaster Loans (EIDL), for which they were previously ineligible. We urge you to implement the law in a manner that maximizes farmers' access to these loans at this critical time.

While Congress chose to make farmers and agricultural entities eligible for forgivable loans under the new Paycheck Protection Program (PPP), we are concerned that they will only be able to obtain limited benefits from this program because many of their enterprises do not pay "wages" in the strict sense. During this time of low commodity prices, volatile markets, and weak export demand, many farmers have had limited income over the past few years and have not paid themselves or others a "wage" apart from provision of shelter and necessities. Following Congress' intent to provide immediate relief to farmers through PPP, we urge you to allow for the use of alternative measures of compensation for farmers for purposes of identifying the portion of PPP loan proceeds eligible for forgiveness.

Additionally, many farmers and rural businesses have established relationships and are able to access credit through Farm Credit System institutions. Recognizing that many of these institutions were not previously recognized as SBA lenders, we ask that you take these unique factors into consideration and grant these institutions immediate access to the PPP lending portal. Doing so will help to ensure the broadest possible access to the program in rural America.

Agricultural producers and businesses are critical to the continuity of our country's food supply and their access to needed relief during the COVID-19 pandemic is critical. Rural areas in particular face unique challenges in responding to the health and economic impacts from COVID-19, and many experts believe the consequences of this crisis could hit them particularly hard. In order to alleviate these disproportionate impacts, farmers and rural business must be provided meaningful eligibility for the EIDL and PPP loan programs.

Sincerely,



Amy Klobuchar  
United States Senator



Tina Smith  
United States Senator