

Congress of the United States
Washington, DC 20515

May 1, 2020

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

Dear Administrator Carranza:

Thank you for your ongoing efforts at the Small Business Administration (SBA) to implement the Paycheck Protection Program (PPP) and help employers remain afloat during the economic disruption caused by the COVID-19 pandemic. We write to offer comment on the Fourth PPP Interim Final Rule (Docket Number SBA-2020-0021) in light of its impact on frontline nonprofit critical access hospitals that are undergoing Chapter 11 bankruptcy reorganizations. While we understand the SBA's general approach to borrowers with current bankruptcy proceedings, we strongly urge the agency to amend this interim final rule to enable these vital health care institutions to receive PPP loans to help them remain operational when they are needed the most.

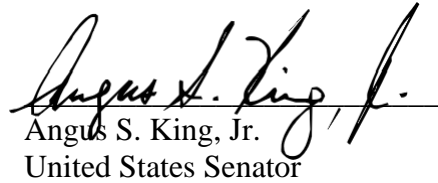
Given that SBA has been unwilling to exercise waiver authorities under the (7)(a) program rules that underlie the PPP, it is apparent that revisions to the PPP regulations are necessary to enable these applicants to access PPP assistance. Therefore, we ask that SBA revise Part III.4 of the Fourth PPP Interim Final Rule to create an exception to the provision's prohibition on applications from otherwise-eligible entities undergoing bankruptcy proceedings. This narrow exception should target nonprofit critical access hospitals (as certified by the Center for Medicare & Medicaid Services) that are undergoing Chapter 11 bankruptcy reorganizations. While these entities are few in number, they are vitally important to the communities they serve, both as frontline health care providers during this public health emergency and as anchor institutions that provide the paychecks and local economic stability that Congress intended this program to preserve. These institutions need temporary financial assistance to weather sharp revenue decreases that have resulted from federal and state instructions to cancel elective medical procedures as part of COVID-19 response preparedness. We ask that you take these factors into consideration and make the necessary regulatory revisions to allow these key employers to keep their doors open until they can resume normal operations once pandemic-related disruptions to their operations have passed.

Thank you for considering this request. We hope that you will understand the unique financial situation that frontline critical access hospitals face during this public health emergency, and the vital importance of keeping them operational during the COVID-19 pandemic.

Sincerely,



Jared F. Golden
Member of Congress



Angus S. King, Jr.
United States Senator



Susan M. Collins
United States Senator