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Committee on Armed Services

Committee on Small Business

Chairman, Subcommittee on Contracting
and Infrastructure

Jared Golden
Congress of the United States
2nd District of Maine

July 13, 2020

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

Dear Administrator Carranza,

I write to express my concern about the lack of accessibility of Economic Injury Disaster Loan (EIDL) advance grants for veteran support organizations (VSOs). Local posts of these VSOs provide critical services for our communities' veterans, including personal assistance, donated goods, disaster relief, volunteerism, networking, advocacy and much more. Staffed largely by volunteers, these posts generate revenue streams from activities that necessitate in-person involvement such as bingo, social functions and facility rentals. Unfortunately, COVID-19 has made such events extremely difficult.

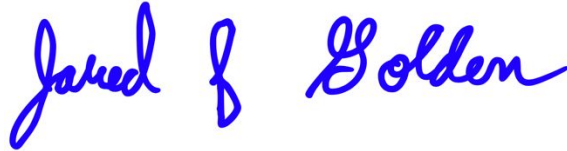
As you are aware, Section 1110(e) of the *Coronavirus Aid, Relief, and Economic Security (CARES) Act* qualifies companies and nonprofits to receive an EIDL advance grant up to \$10,000. However, a per-employee regulatory policy caps this amount at \$1,000 for nonprofits without employees. This sum is insufficient to provide the level of relief these posts need.

In Fort Fairfield, Maine, for example, an American Legion post recently paid around \$7,000 to cover its bar license and insurance for the year. They have no employees and rely solely on volunteers. The post makes most of its money through karaoke in the winter months, and renting out their hall for weddings and other functions. A similar circumstance exists in Caribou, where the Legion post has a single employee and \$20,000 worth of lost revenue to COVID-19. These posts, like so many others, need help with regular bills such as utilities and deferred regular maintenance on their buildings.

Situations like the ones in Fort Fairfield and Caribou illustrate the need for the SBA to amend its per-employee regulatory policy to help VSO local posts. I urge you to change the policy so that VSOs with one or fewer employees can have their per-employee EIDL advance grant limit waived up to \$5,000. This will ensure that these groups survive the pandemic and continue to provide the critical services that our veterans—now, more than ever—need and deserve.

Thank you for your continued leadership and dedication in providing relief to small businesses and non-profits during the COVID-19 pandemic.

Sincerely,

A handwritten signature in blue ink that reads "Jared F. Golden". The signature is written in a cursive, flowing style.

Jared F. Golden
Member of Congress