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April 28, 2020

The Honorable Steven Mnuchin
Secretary
U.S. Department of Treasury
1500 Pennsylvania Ave., NW
Washington, DC 20220

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

Dear Secretary Mnuchin and Administrator Carranza,

Thank you for your work to quickly implement and administer the Paycheck Protection Program (PPP). I appreciate the magnitude of this program and commend your efforts.

However, I am concerned by the uneven state-by-state distribution of these funds and ask that the Treasury Department and Small Business Administration (SBA) investigate this significant allocation disparity.

According to an analysis by Reuters, Arizona's small businesses received the fifth-fewest number of PPP loans (181) for every 1,000 small businesses.¹ The same Reuters analysis found that the most successful states received upwards of 500 loans for every 1,000 small businesses.

Further, analysis by former U.S. Treasury economist Ernie Tedeschi indicates that Arizona had the ninth-lowest rate of PPP loans allocated as a percentage of total eligible payroll.² This analysis shows that less than half of the eligible payroll in Arizona was covered, compared to upwards of 75% for the most successful states.

While I understand each state has its own unique economic makeup and small businesses may not have applied for these loans at the same rate, it is concerning to see that Arizona's small businesses were so much less successful in receiving PPP loans than in other states.

As such, I ask that the Treasury and SBA investigate these apparent discrepancies, report back as to why they may have occurred, and take action to ensure a more equitable distribution of PPP funds moving forward.

Given the urgency of this crisis, I request a response with seven days of receipt of this letter. Thank you for your attention to this pressing matter.

Sincerely,



Ann Kirkpatrick
Member of Congress

¹ <https://www.reuters.com/article/us-health-coronavirus-usa-lending-analys/main-street-bailout-rewards-u-s-restaurant-chains-firms-in-rural-states-idUSKBN21Z3FL>

² <https://www.bloomberg.com/graphics/2020-sba-paycheck-protection-program/>