

Congress of the United States
Washington, DC 20515

August 10, 2020

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

Dear Administrator Carranza:

It has come to our attention that the Small Business Administration (SBA) is placing liens on agricultural producers who are participating in COVID-19 disaster relief loan programs, like the Economic Injury Disaster Loan (EIDL) program. It is our understanding that SBA is requiring loan recipients to send physical checks via certified mail from Montana to Fort Worth, Texas in order for SBA to endorse purchases made by agricultural producers in the daily course of their business operations. Upon receipt, SBA endorses the check and then mails it back to the loan recipient.

This process imposes excessive burdens on Montana's agricultural producers. In addition to the hassle, every day that it takes SBA to return the check to the loan recipient costs the recipient interest on their operating loan, and prevents them from investing in more livestock, supplies, or equipment. It is imperative that SBA modify its lien criteria and loan processes to match with how agricultural businesses operate.

With that in mind, we have several questions for which we are hopeful you can provide clarification:

- Why is SBA requiring that Montana's agricultural producers who are participants in SBA's COVID-19 disaster relief loan programs send physical checks to out-of-state facilities in order for them to be endorsed by SBA?
- Could this process be streamlined to take place electronically? If so, would it help to have Congress act to provide legislative clarity?
- Can SBA modify its lien criteria in such a way that it does not interfere with the day-to-day operations of businesses and agricultural producers?

Thank you for your work to provide economic relief to America's small businesses, and we look forward to receiving your answers to the above questions.

Sincerely,



STEVE DAINES
United States Senator



GREG GIANFORTE
United States Congressman