

**Congress of the United States**  
**Washington, DC 20515**

May 26, 2020

The Honorable Steven Mnuchin  
Secretary  
Department of the Treasury  
1500 Pennsylvania Avenue NW  
Washington, DC 20220

The Honorable Jerome H. Powell  
Chairman  
Board of Governors of the Federal Reserve System  
20<sup>th</sup> Street and Constitution Avenue NW  
Washington, DC 20551

Ms. Jovita Carranza  
Administrator  
United States Small Business Administration  
409 Third Street SW  
Washington DC 20416

Dear Secretary Mnuchin, Chairman Powell and Administrator Carranza,

As you may be aware, several of the nation's systemically important financial institutions (SIFI) continue to use their market dominance to financially discriminate against legal and compliant businesses for political reasons. This includes, but is not limited to, the firearms and ammunition, oil and gas, coal, and private corrections industries.

Unfortunately, a vocal minority has weaponized federally-backed banks against businesses that operate in good faith and compliance with the law, by denying them financial services based solely on political reasons that have nothing to do with creditworthiness.

Like every industry across our nation, these businesses have been hard hit during the COVID-19 pandemic as consumer spending and demand has decreased across the board. Regardless of the industry, access to competitive and predictable capital, loans, and other financial services are critical in order to recover from the economic impacts of the COVID-19 pandemic.

We are encouraged by steps both Congress and the administration have taken to support small businesses across the country by establishing critical programs such as the Paycheck Protection Program (PPP). It is abundantly clear the Small Business Administration needs to continue to use all available resources and assets to move financial resources into local communities as quickly and efficiently as possible.

However, we are concerned the nation's largest financial institutions will use participation in the Paycheck Protection Program and other SBA recovery loan programs to further financial discrimination policies against selected segments of the economy, based on their social policy and in opposition to SBA eligibility regulations.

SBA's recently released interim final rule for implementation of the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) provides that "the lender must determine whether the applicant is one of the types of businesses listed as ineligible in SBA regulations (13 CFR 120.110)." We find it extremely disconcerting that, while these businesses are clearly eligible for participation in the CARES Act programs, many of the nation's largest institutions will block their participation based on their own political agendas which could result in the loss of jobs for thousands of hard working Americans.

With these concerns in mind, we ask the Administration to take additional steps to clarify the eligibility of these industries and urge further guidance that will prevent the unlawful discrimination by financial institutions. We ask that you clarify existing protections to ensure the equitable distribution of COVID-19 relief resources and consider taking action against financial institutions which violate or contradict SBA loan program eligibility regulations.

We look forward to your timely response about this situation.

Sincerely,



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Richard Hudson  
Member of Congress

Other Members of Congress signing this letter:

Doug Lamborn  
Steve King  
Jody Hice  
Paul A. Gosar, D.D.S.  
Randy K. Weber  
David Rouzer  
Dan Bishop  
Scott Perry  
Michael C. Burgess, M.D.  
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H. Morgan Griffith  
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