

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

April 13, 2020

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

The Honorable Jovita Carranza  
Administrator  
Small Business Administration  
409 3rd St, SW  
Washington, D.C. 20416

Dear Secretary Mnuchin and Administrator Carranza:

Thank you for your work to implement the Coronavirus Aid, Relief, and Economic Security (CARES) Act and supporting our nation's small businesses during this unprecedented crisis. The Paycheck Protection Program (PPP) created by the CARES Act is a critical lifeline for small businesses that are unable to keep up with payroll, rent and other expenses due to the COVID-19 outbreak. Congress intended for cooperative businesses to be eligible for PPP. We are therefore concerned that lenders processing PPP applications are unsure whether cooperatives are eligible for the program in part because of challenges navigating Small Business Administration (SBA) forms. We urge you to provide regulatory clarity and make the necessary changes to SBA forms as soon as possible so that cooperative businesses can apply for PPP loans.

Like many small businesses, small cooperatives are in dire need of PPP loans so that they can continue to pay their employees and meet other expenses. We are concerned by reports from cooperatives in Wisconsin that lenders are unsure whether many cooperative businesses who do not have owners with more than 20 percent equity interest can properly meet banks' PPP application documentation process. Consequently, some banks will not process these large multiple equity owner cooperatives' PPP applications until they receive further guidance from the Small Business Administration regarding how they should document these cooperatives' majority controlling interest ownership. The lack of SBA guidance to banks on this issue is preventing many cooperative businesses from taking advantage of the PPP. Cooperatives are unable to complete the necessary application because the banks are instructing them that these forms cannot accommodate their large equity members' cooperative controlling interest ownership information.

As you know, cooperative businesses are member owned. While their ownership structure makes cooperatives different from other businesses, it should not preclude them from applying for PPP loans. SBA must immediately issue guidance to all PPP lenders clarifying that all cooperative

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businesses, regardless of their controlling interest ownership structure, are eligible for PPP loans, as Congress intended.

Thank you again for your work to support small businesses during this crisis. We appreciate your prompt attention to this matter.

Sincerely,

A handwritten signature in blue ink that reads "Tammy Baldwin". The signature is written in a cursive, flowing style.

Tammy Baldwin  
U.S. Senator

A handwritten signature in blue ink that reads "Mark Pocan". The signature is written in a cursive, flowing style.

Mark Pocan  
Member of Congress

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A handwritten signature in blue ink, appearing to be "M. R.", located on the left side of the page.