

Congress of the United States
Washington, DC 20510

April 24, 2020

The Honorable Jovita Carranza
Administrator Small Business Administration
409 Third Street, SW
Washington, DC 20416

Dear Administrator Carranza:

We are writing to urge you to reconsider the blanket exclusion of organizations undergoing Chapter 11 reorganization from participation in the Paycheck Protection Program (PPP). Specifically, we ask you to consider the advisability of allowing essential health organizations, such as critical access hospitals and federally qualified health centers, to participate. These hospitals in Vermont and across the country are on the front lines of the COVID-19 pandemic response and we need the critical services they provide now more than ever before. We should be making all resources available to our health care providers to help them keep the lights on in their time of need.

In rural and underserved areas in Vermont and throughout the country, these facilities are not only essential medical providers, but are the economic backbone of our communities. It is particularly important right now to keep access to care affordable and available for patients in rural areas during the COVID-19 pandemic. If Vermont were to lose any of our critical access hospitals during this uncertain time, it would have a devastating effect on the state's COVID response and rural economy.

Eligibility criteria for PPP set in statute does not specifically exclude entities undergoing Chapter 11 bankruptcy. Yet, the SBA has chosen to administer the PPP such that an applicant's ongoing bankruptcy reorganization automatically disqualifies the applicant for PPP assistance. This decision denies the potential for critical funding to hospitals, health centers, and other essential services that are reorganizing their debt in a responsible way. Availability of PPP assistance to these entities will allow them to continue to provide vital services, pay their workforce, and mitigate the risk of closure. To achieve this outcome, SBA should ensure PPP assistance is used for these purposes and not compensating secured and unsecured creditors.

We urge you to amend the Borrower Application without delay to ensure that critical care in our communities remains available. Thank you for your consideration.

Sincerely,



PATRICK LEAHY
United States Senator



BERNARD SANDERS
United States Senator



PETER WELCH
United States Congressman