

April 9, 2020

The Honorable Steven Mnuchin
Secretary
U.S. Department of the Treasury
1500 Pennsylvania Avenue, N.W.
Washington, D.C. 20220

The Honorable Jovita Carranza
Administrator
U.S. Small Business Administration
409 3rd Street, S.W.
Washington, D.C. 20416

Dear Secretary Mnuchin and Administrator Carranza:

On behalf of the community banking industry's 750,000 employees across more than 50,000 locations nationwide, the Independent Community Bankers of America and 29 state banking associations, respectfully implore you to do everything in your power to assure timely access for the roughly one-third of the community banking industry, particularly those located in rural areas, that is still awaiting access to the E-Tran and/or Lender Gateway Systems. Community bankers throughout the country have worked around the clock to make this critical program work for cash-starved small businesses. We are in near constant contact with these community bankers and are hearing their frustrations and pleas for help firsthand. We take this opportunity to share with you their priority recommendations for enhancing and improving the Program so that it lives up to its potential without further setbacks. Frankly, clear and concise instructions are still sorely needed on access to the SBA loan programs, especially for non-SBA lenders trying to enter the SBA systems and process loans they already have in hand.

- The technology supporting the Program continues to be a source of frustration to community bankers. Specifically, community banks continue to experience delays in accessing E-Tran and the Lender Gateway. Many are locked out of the system because they have not been able to obtain an "authorization number." A lack of clear direction has effectively blocked access for a broad range of institutions, particularly community banks. Simple tasks like resetting a password are error prone and time consuming. A user manual for the Program platform would be enormously helpful in providing clarity and facilitating access. We urge you to mobilize every available resource to strengthen the technology expeditiously. The success of the program hinges on reliable technology.
- Thank you for your support for additional funding for the Program. We fully intend to work with you to secure this vital funding from Congress. Without adequate scale, the Program cannot meet its potential.
- We urge you to allocate at least 25 percent of existing and future Program funds for banks of \$50 billion in asset size or less. These banks hold approximately 27 percent of industry assets, so a 25 percent allocation would be proportionate. Community banks make roughly half of all small business loans and serve markets not served by the large banks. To ensure Program access to all communities and regions of the nation, we must not allow Program funds to be used nearly exclusively by the largest banks.
- We are grateful for today's actions by the Federal Reserve to create a facility to support lending in the Program by providing term financing backed by Program loans. The Federal Reserve should go further and provide advances against to-be-funded Program loans to further enhance the capacity of the Program. Liquidity must not be an obstacle to the success of the Program.

We are fully committed to working with you to implement these recommendations and create a Program that will achieve its full potential.

Thank you for your consideration and for your tireless efforts on behalf of the American economy in a time of crisis.

Sincerely,

Independent Community Bankers of America
Arkansas Community Bankers
California Community Banking Network
Independent Bankers of Colorado
Community Bankers Association of Georgia
Community Bankers of Iowa
Idaho Bankers Association
Community Bankers Association of Illinois
Community Bankers Association of Kansas
Bluegrass Community Bankers Association
Louisiana Bankers Association
Massachusetts Bankers Association, Inc.
Community Bankers of Michigan
Independent Community Bankers of Minnesota
Missouri Independent Bankers Association
Montana Independent Bankers
Independent Community Banks of North Dakota
Nebraska Independent Community Bankers
Independent Community Bankers Association of New Mexico
Independent Bankers Association of New York State
Community Bankers Association of Ohio
Community Bankers Association of Oklahoma
Pennsylvania Association of Community Bankers
Independent Banks of South Carolina
Independent Community Bankers of South Dakota
Independent Bankers Association of Texas
Virginia Association of Community Banks
Community Bankers of Washington
Community Bankers of West Virginia
Wyoming Bankers Association

CC: Federal Reserve Chairman Jerome Powell
Members of the United States House of Representatives
Members of the United States Senate