

**KIRSTEN GILLIBRAND**  
NEW YORK  
SENATOR  
RUSSELL SENATE OFFICE BUILDING  
SUITE 478  
WASHINGTON, DC 20510-3205  
202-224-4451

**COMMITTEES:**  
ARMED SERVICES  
ENVIRONMENTAL AND PUBLIC WORKS  
AGRICULTURE  
SPECIAL COMMITTEE ON AGING

# United States Senate

WASHINGTON, DC 20510-3205

March 22, 2020

The Honorable Jovita Carranza  
Administrator  
Small Business Administration  
409 3rd Street SW  
Washington, DC 20416

Dear Ms. Carranza,

I write to firstly to express my gratitude at the important work the Small Business Administration is doing to help our local businesses impacted during the COVID-19 health crisis, but to also ensure all small businesses are able to benefit from this relief. Small businesses who have Employee Stock Ownership Plans (ESOP) are finding it difficult to access loans from the SBA, especially during this time of economic downturn, as they are required to apply to the central SBA instead of through the Preferred Lending Program (PLP). This causes major delays in lending, instead of the more streamlined PLP. After passage of the FY19 National Defense Authorization Act, it was our intention that these businesses would be eligible for the SBA 7(a) programs even though their unique ownership structure makes it impossible to have a single 10% equity injection for these loans.

As the country braces for the full impact COVID-19 will have on our future, ESOP's may not be able to survive this disaster if they are unable to receive federal aid. I am asking today for your urgent assistance as our nations small businesses prepare to respond to the coming economic crisis that will unfold from the COVID-19 pandemic. Small businesses will be better equipped to withstand the economic downturn by:

1. Making ESOP loans through the SBA 7(a) program immediately available through the Preferred Lending Program; and,
2. Eliminating the 10% investor equity injection requirement for ESOP loans.

These measures can help keep our businesses afloat as their income declines due to a reduction in customers or forced closures.

I urge you to consider all small businesses, traditionally operated or ESOP, as you begin economic stimulus measures to cushion the effects of COVID-19 on our economy.

Sincerely,



Kirsten Gillibrand  
United States Senator

**ALBANY/CAPITAL DISTRICT OFFICE**  
LEO W. O'BRIEN  
FEDERAL OFFICE BUILDING  
1 CLINTON SQUARE, ROOM 821  
ALBANY, NY 12207  
TEL (518) 431-0120  
FAX (518) 431-0128

**BUFFALO OFFICE**  
LARKIN AT EXCHANGE  
726 EXCHANGE STREET, SUITE 511  
BUFFALO, NY 14210  
TEL (716) 854-9725  
FAX (716) 854-9731

**LONG ISLAND OFFICE**  
155 PINELAWN ROAD  
SUITE 250 NORTH  
MELVILLE, NY 11747  
TEL (631) 249-2825  
FAX (631) 249-2847

**NORTH COUNTRY OFFICE**  
PO BOX 273  
LOWVILLE, NY 13367  
TEL (315) 376-6118  
FAX (315) 376-6118

**ROCHESTER OFFICE**  
KENNETH B. KEATING  
FEDERAL OFFICE BUILDING  
100 STATE STREET  
ROOM 4195  
ROCHESTER, NY 14614  
TEL (585) 263-6250  
FAX (585) 263-6247

**SYRACUSE/CENTRAL NY OFFICE**  
JAMES M. HANLEY FEDERAL BUILDING  
100 SOUTH CLINTON STREET  
ROOM 1470  
PO BOX 7378  
SYRACUSE, NY 13261  
TEL (315) 448-0470  
FAX (315) 448-0476

**NEW YORK CITY OFFICE**  
780 THIRD AVENUE  
SUITE 2601  
NEW YORK, NY 10017  
TEL (212) 688-6262

**HUDSON VALLEY OFFICE**  
PO BOX 893  
MAHOPAC, NY 10541  
TEL (845) 875-4585  
FAX (845) 875-9099