FRENCH HILL

2ND DISTRICT, ARKANSAS

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## CARES ACT CONGRESSIONAL OVERSIGHT COMMISSION

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## Congress of the United States

House of Representatives Washington, DC 20515

September 13, 2021

Washington, DC Office 1533 Longworth House Office Building Washington, DC 20515 PHONE: (202) 225–2506 FAX: (202) 225–5903

> Conway District Office 1105 Deer Street, Suite 12 Conway, AR 72032 Phone: (501) 358–3481 Fax: (501) 358–3494

LITTLE ROCK DISTRICT OFFICE
1501 NORTH UNIVERSITY AVENUE, SUITE 630
LITTLE ROCK, AR 72207
PHONE: (501) 324–5941
FAX: (501) 324–6029

The Honorable Isabella C. Guzman Administrator U.S. Small Business Administration 409 3rd St SW Washington, DC 20416-0011

Dear Administrator Guzman:

I write to you today regarding an ongoing issue that small businesses in Central Arkansas are having with the Small Business Administration's (SBA) Economic Injury Disaster Loan (EIDL) program. My office has received requests for assistance from several small businesses that are receiving denial letters from the SBA on their EIDL program applications due to unverifiable information.

I have spoken with Edward Haddock, District Director of Arkansas SBA, and he told my office that there is currently a disconnect between the Internal Revenue Service (IRS) and SBA in communication for the correct documents.

This situation is further exacerbated because of the delay by IRS in providing IRS Form 4506-T to SBA. The form is filled out by the business owner and is submitted to the IRS to request a transcript of the business' tax return. The transcript is not issued to the business owner directly but sent to SBA – there is a severe disconnect in communication between the two agencies which derails the EIDL process and causes unnecessary hang-ups in issuing much needed funds to small businesses.

For more than 18 months businesses across the country have been hurt by the negative impacts of the COVID-19 pandemic. It is important now, more than ever, that those businesses that qualify for financial relief from programs like EIDL, get the proper attention they deserve. I implore you to work with the IRS to ensure this miscommunication gets resolved so Arkansas's small businesses can benefit from SBA's EIDL program.

Sincerely,

French Hill

Member of Congress

Cc: Commissioner Charles Rettig, Internal Revenue Service