March 20, 2020

The Honorable Mitch McConnell
Majority Leader
United States Senate
S-230, The Capitol
Washington, D.C. 20515

The Honorable Nancy Pelosi
Speaker
United States House of Representatives
H-232, The Capitol
Washington, D.C. 20515

The Honorable Charles E. Schumer
Democratic Leader
United States Senate
S-221, The Capitol
Washington, D.C. 20515

The Honorable Kevin McCarthy
Republican Leader
United States House of Representatives
H-204, The Capitol
Washington, D.C. 20515

Dear Leader McConnell, Speaker Pelosi, Leader Schumer and Leader McCarthy:

Thank you for your swift response thus far in building a robust federal toolkit as small businesses across the country prepare to deal with the consequences of the Coronavirus outbreak. As you finalize Phase 3 of the Congressional response to the virus, we ask that you ensure all cooperative businesses are eligible to participate in federal disaster assistance under these emergent circumstances. We also ask that Congress remove burdensome regulations that currently bar cooperative businesses from accessing critical assistance, including at the Small Business Administration.

The very characteristics that make cooperatives stronger and more resilient than other business models – that is, their equally-shared ownership among all members – is the basis for which SBA denies financing. To ensure that all cooperative businesses can fairly access federal assistance in response to COVID-19, we ask that you require SBA waive the personal guarantee requirement for cooperative businesses, and instead determine eligibility based on past revenue, past and projected cashflow, and assets.

Cooperative businesses continue to thrive in every sector of our economy because of the hard work and commitment of their member-owners. Today, more than 115 million Americans are a member of at least one of the 65,000 cooperative businesses. Collectively, these businesses generate $75 billion in annual wages and more than $650 billion in annual revenue.

In these times of uncertainty, cooperatives remain rooted in their community and committed to doing right by their member-owners, in many instances going well above and beyond what traditional shareholder-owned corporations will do to weather this crisis. It is imperative that cooperative businesses – the lifelines for many rural and underserved communities – can access federal resources at the Small Business Administration. These loans and guarantees will provide critical economic relief for businesses to carry out fixed financial obligations and maintain or resume normal business operations – just like every other small business will be able to do.

Once again, we are grateful for the swift, bipartisan manner with which Congress is acting to ensure a robust toolkit for our nation's response. We look forward to working with you to ensure that all businesses have access to these tools to help our nation fully recover.

In cooperation,

Douglas J. O'Brien
President and CEO
**National Cooperative Business Association
CLUSA International**

Jim Nussle
President & CEO
Credit Union National Association

Melissa Hoover
Executive Director
Democracy at Work Institute

Todd Van Hoose
President and CEO
Farm Credit Council

Cornelius Blanding
Executive Director
**Federation of Southern Cooperatives/
Land Assistance Fund**

C.E. Pugh
Chief Executive Officer
National Co+op Grocers

Charles F. Conner
President and CEO
National Council of Farmer Cooperatives

Charles E. Snyder
Chief Executive Officer
National Cooperative Bank

Rob Larew
President
National Farmers Union

Jim Matheson
Chief Executive Officer
National Rural Electric Cooperatives Association

Erbin Crowell
Executive Director
Neighboring Food Co-op Association

Roger Noonan
President
New England Farmers Union

Shirley Bloomfield
Chief Executive Officer
NTCA – the Rural Broadband Association

Esteban Kelly
Executive Director
U.S. Federation of Worker Cooperatives