

Congress of the United States
Washington, DC 20515

April 27, 2020

The Honorable Steven Mnuchin
Secretary
U.S. Department of Treasury
1500 Pennsylvania Ave., NW
Washington, DC 20220

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

Dear Secretary Mnuchin and Administrator Carranza:

We write to ask that residential cooperatives and condominiums be considered eligible under the Paycheck Protection Program (PPP) loans which are administered by the U.S. Small Business Administration.

In New York City alone, there are well over 100,000 units of affordable cooperative and condominium housing units. As you know, New York City has been deemed the epicenter of the epicenter. The devastating health impacts of the pandemic has thereby brought enormous financial losses to these units. During this crisis, these units are facing the same dire liquidity challenges as other businesses, including declining revenues due to job losses, declining rental income from commercial tenants, and lost revenue. And due to the stay-at-home statewide orders, there are significant increases in utility usage (water, electric, and fuel). Many of the residents are also seniors with fixed incomes.

Furthermore, while residential co-ops are considered C-Corps, they act as nonprofit entities, since all their monthly maintenance-rent revenue is applied to operate their residential buildings. Such maintenance operations include, but are not limited to, garbage collection, plumbing, electrical and emergency repairs, landscaping and providing services to seniors – all of which are deemed essential duties and responsibilities.

As you know, Congress created the PPP in the *Coronavirus Aid, Relief, and Economic Security (CARES) Act*, with the intent to prevent financial harm to small businesses and their employees. On April 2nd, however, SBA issued an interim final rule that added restrictions rendering residential cooperatives and condominiums ineligible for PPP loans.

We urge you to reconsider this interim final rule and ensure these entities – as well as their employees – are not excluded from the PPP and any related benefits. Ultimately, the availability of PPP loans would be a lifeline for these entities to pay their essential employees, so they may meet other critical operating expenses.

We thank you for this consideration, and look forward to your prompt reply.

Sincerely,



Grace Meng
Member of Congress



Thomas R. Suozzi
Member of Congress

/s/ Nydia M. Velázquez
Member of Congress

/s/ Adriano Espaillat
Member of Congress

/s/ José E. Serrano
Member of Congress

/s/ Jerrold Nadler
Member of Congress

/s/ Carolyn B. Maloney
Member of Congress

/s/ Kathleen M. Rice
Member of Congress

/s/ Yvette D. Clarke
Member of Congress