



March 19, 2020

The Honorable Nancy Pelosi
Speaker
United States House of Representatives
1236 Longworth House Office Building
Washington, DC 20515

The Honorable Mitch McConnell
Majority Leader
United States Senate
317 Russell Senate Office Building
Washington, DC 20510

The Honorable Kevin McCarthy
Republican Leader
United States House of Representatives
2468 Rayburn House Office Building
Washington, DC 20515

The Honorable Chuck Schumer
Democratic Leader
United States Senate
322 Hart Senate Office Building
Washington, DC 20510

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

Thank you for your bipartisan work to keep Americans safe from COVID-19 and mitigate this unprecedented economic crisis. The member companies of Financial Innovation Now (FIN)¹ are committed to working with lawmakers to help ensure that economic stimulus measures are effective and expeditious, particularly for small businesses.

FIN strongly supports Treasury's proposal to create a small business loan interruption program. However, millions of truly small businesses, those most likely to fail in the coming weeks, will not be well-served by loan guarantees made available exclusively through financial institutions. Small businesses need capital immediately. Small businesses are shut down, business owners are isolated in their homes, and many physical bank branches are closed. Any federal small business loan program must leverage digital advances in the marketplace to ensure that stimulus can reach those businesses most in need.

Alternative online lenders, such as Square, PayPal, Stripe, Intuit and many others, have pioneered fast and accessible working capital programs that have served tens of millions of small businesses. FIN companies alone have made over \$10 billion available in the past several years. Alternative online lenders have the reach, relationships, and digital capabilities to reach those businesses most vulnerable – right now.

To ensure the success of the proposed small business loan interruption program, FIN urges Congress to direct Treasury to 1) provide conditional capital to alternative online lenders; 2) permit these non-bank lenders to disburse loans, including via partnership with financial institutions; and 3) allocate a portion of funds for distribution via these lenders.

¹ Our member companies include Amazon, Apple, Google, Intuit, PayPal, Square, and Stripe. For more information regarding FIN's policy priorities and principles, please visit <https://financialinnovationnow.org>

An emergency Treasury facility will get funding to small businesses in a timely manner. FIN welcomes Congressional efforts to dramatically streamline Small Business Administration loans and include alternative lenders in this process as well.

Collectively, FIN member companies alone have a direct deposit and underwriting capability with over 20 million small business. FIN estimates that our companies could rapidly disburse approximately \$100 billion in capital to vulnerable small businesses, in many cases within weeks. Through payment processing data and other technologies,² these alternative online lenders have direct visibility into real-time hardship of a small businesses and they have the credit models and the digital infrastructure to move money rapidly.

FIN deeply appreciates the work of you and your staff during a remarkably challenging moment in our nation's history. FIN member companies look forward to our continued partnership and mutual efforts meet the challenges of this pandemic.

Respectfully,



Brian Peters
Executive Director
Financial Innovation Now

² Congress should consider directing Treasury to permit lenders to determine loan amounts using revenue data, rather than relying solely on payroll thresholds, to ensure borrowers have loans sized to the best metric for their needs.