

Congress of the United States

Washington, DC 20515

August 17, 2020

The Honorable Nancy Pelosi
Speaker
House of Representatives
Washington, D.C. 20515

The Honorable Mitch McConnell
Majority Leader
United States Senate
Washington, D.C. 20515

Dear Majority Leader McConnell and Speaker Pelosi,

We are writing to enumerate steps that should be taken to enhance the efficacy of the Coronavirus Aid, Relief, and Economic Security (CARES) Congressional Oversight Commission (Commission) by increasing diverse representation on the panel, and to emphasize the need for greater focus on the disparate impacts of the novel coronavirus (COVID-19) pandemic in diverse communities and related relief efforts through the CARES Act.

The COVID-19 pandemic has disproportionately impacted women and racially diverse communities. According to the Centers for Disease Control, “long-standing systemic health and social inequities have put some members of racial and ethnic minority groups at increased risk of getting COVID-19 or experiencing severe illness.”¹ Further, the pandemic is also leading to a large number of Minority- and Women-owned Business Enterprises (MWBs) to close permanently. According to a June 2020 study by the National Bureau of Economic Research, the drop in minority business owners was the largest on record, with Black-owned businesses experiencing a 41 percent drop from February to April 2020, while Latinx- and Asian-owned businesses falling by 32 percent and 26 percent, respectively.² These small businesses tend to be operated by those who live in the communities they serve, located in areas that are traditionally overlooked by larger outside corporations, and their closure is a severe blow.

Through the CARES Act and the Paycheck Protection Program and Health Care Enhancement Act, Congress rightly sought to reserve \$60 billion for Community Development Financial Institutions (CDFIs), Minority Depository Institutions (MDIs), and other community lenders to provide loans to MWBs and other underserved small businesses. The Small Business Administration and Department of the Treasury subsequently announced a further \$10 billion set aside solely for CDFIs to lend out.³

¹ Centers for Disease Control and Prevention. “[COVID-19 in Racial and Ethnic Minority Groups](#).” News release, June 25, 2020.

² Fairlie, Robert W. The Impact of Covid-19 on Small Business Owners: Evidence of Early-Stage Losses from the April 2020 Current Population Survey. National Bureau of Economic Research, June 2020.
<https://www.nber.org/papers/w27309> <https://www.nber.org/papers/w27309>.

³ Committee press release, “Waters Statement on Treasury and SBA Setting Aside \$10 Billion for CDFIs for Paycheck Protection Program,” (May 29, 2020).

Title IV of the CARES Act created the Congressional Oversight Commission, a five-member panel established to conduct oversight and implementation of the Treasury and Federal Reserve efforts to provide economic stability as a result of the pandemic through use of the \$500 billion Congress appropriated to the Economic Stabilization Fund.

Specifically, the Commission must submit reports to Congress every 30 days that address a variety of factors such as the Treasury's and Federal Reserve's use of its authority under Title IV, the impact of transparency relating to loans, and the overall effectiveness of loans, loan guarantees, and investments made under Title IV.

The Commission has issued three reports to Congress thus far detailing the ongoing implementation of the CARES Act. Unfortunately, these reports have failed to substantively focus on the disparate impacts and challenges faced by diverse communities as a result of COVID-19, or the strategic delivery of relief to these important communities. Congress must take the following steps to ensure the Commission fulfills its intended oversight purpose:

1. Congress should appoint a Chair and expand the total number of seats on the Commission, on an equal and bipartisan basis, to enhance the strategic vision of the Commission.
2. Congress should increase racial and gender diversity on the Commission by increasing representation from communities that have been disproportionately impacted by the COVID-19 pandemic.
3. Congress should appropriate funding to the Commission to ensure the Commission has the resources to execute its duties per Congress's intent in the establishment of the Commission.
4. Congress should further clarify the important need to provide oversight concerning the ongoing delivery of relief to diverse communities and MWBEs who have been disproportionately impacted by the COVID-19 pandemic.

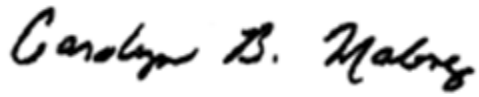
cc: The Honorable Maxine Waters (D-CA)
Chairwoman
US House Committee on Financial Services



The Honorable Joyce Beatty
Chair
Subcommittee on Diversity and Inclusion



The Honorable Josh Gottheimer
Member of Congress



The Honorable Carolyn B. Maloney
Chairman
Committee on Oversight and Reform



The Honorable Nydia M. Velázquez
Chairman
Committee on Small Business



The Honorable Gregory W. Meeks
Chairman
Subcommittee on Consumer Protection
And Financial Institutions



The Honorable Wm. Lacy Clay
Chairman
Subcommittee on Housing, Community
Development and Insurance



The Honorable David Scott
Chairman
Subcommittee on Commodity Exchanges, Energy,
and Credit



The Honorable Al Green
Chairman
Subcommittee on Oversight and Investigations



The Honorable Jim A. Himes
Chair Subcommittee on Strategic Technologies
Advanced Research



The Honorable Bill Foster
Member of Congress



The Honorable Juan Vargas
Member of Congress



The Honorable Vincente Gonzalez
Member of Congress



The Honorable Al Lawson
Member of Congress



The Honorable Anthony Gonzalez
Member of Congress



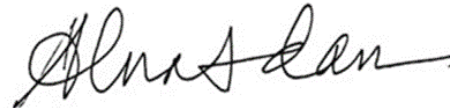
The Honorable Cindy Axne
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The Honorable Sean Casten
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The Honorable Stephen F. Lynch
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The Honorable Alma S. Adams, Ph.D.
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The Honorable Madeleine Dean
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The Honorable Dean Phillips
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