



**FINANCIAL SERVICES  
INNOVATION COALITION**

**MEMORANDUM**

Date: April 20, 2020

To: The Honorable Nancy Pelosi  
The Honorable Mitch McConnell  
The Honorable Charles E. Schumer  
The Honorable Kevin McCarthy

From: Kevin B. Kimble, Esq.

RE: **SBA And Banks Have Proven Themselves Unworthy of Stimulus Participation**

A lot has been made of the way banks have prioritized loan applications, choosing to help customers who have credit accounts first.

While this may at first appear to be good customer service for their best customers, the little discussed rationale behind this strategy is to ensure repayment of loans. In fact, there were provisions in the bill to allow banks to collect funds from stimulus money.

It is clear small business owners were NEVER supposed to get any of the PPP Funding. See:

“WHILE SMALL OPERATIONS STRUGGLE, CHAINS LAND PPP LOANS”:

<https://www.restaurantbusinessonline.com/financing/while-small-operations-struggle-chains-land-ppp-loans>

“Shake Shack Gets \$10M Federal Loan For Small Businesses Affected by COVID-19”:

<https://ny.eater.com/2020/4/17/21224943/shake-shack-ppp-loan-coronavirus-restaurants-nyc>

“Shake Shack returning \$10 million government loan meant for small businesses”

<https://www.nbcnews.com/news/us-news/shake-shack-returning-10-million-government-loan-meant-small-businesses-n1187541>

It is folly to continue using the current SBA and bank system to distribute money. To do so will ensure most businesses will continue to be left out of assistance.

A much better way would be to:



1. Allow every business with an EIN to and an account with a financial institution to click a button on their mobile banking app and have \$10,000 directly transferred into their account;
2. The financial institution can then send a voucher to the Treasury or the Fed for reimbursement.

This process will be fast, efficient, effective and inclusive.

We hope that both congress and the administration immediately fix this problem before we lose the entire backbone of our nation's economy.

CC:

The Honorable James Clyburn  
U.S. House Majority Whip

The Honorable Karen Bass  
Chairwoman  
Congressional Black Caucus (CBC)

Honorable Maxine Waters  
Chairwoman  
House Financial Services Committee

The Honorable Senator Kamala D. Harris

The Honorable Senator Cory Booker

*Financial Services Innovation Coalition (FSIC) - FSIC is a growing network of Financial Services Lending Innovators, Legislators, Community Groups, and Academics who share a passion for applying emerging technology and market innovation to meet the credit and financial service needs of underserved consumers. Contact us at [info@FSICoalition.org](mailto:info@FSICoalition.org) or visit our website at [www.FSICoalition.org](http://www.FSICoalition.org)*