



ITRC's Letter to Federal Lawmakers regarding the Paycheck Protection Program (PPP)

Dear Congressional Committee Member,

Thank you for the recent passage of the CARES Act in response to the COVID-19 national emergency, especially the decision to make resources available to the Nation's smaller non-profit organizations providing direct assistance to people in need of support. However, I want to bring to your attention a critical issue with the implementation of the Paycheck Protection Program (PPP) of the Small Business Administration (SBA). I believe the current course, if continued, will have significant negative impacts in the coming months.

The Identity Theft Resource Center is a 20-year old national non-profit based in San Diego that provides identity-related remediation and support services to the public free of charge. In 2019 we handled more than 10,000 requests for service through our contact center and provided web-based services to an additional 548,333 people. In March 2020 alone, demand for web-based services increased 851 percent or ~413,000 first time visitors compared to the same month in 2019. That's not a typo, and it reflects nine months of visitors in only three weeks.

Non-profit organizations provide essential services during a time of national emergency. Yet, the PPP appears to be unavailable to the ITRC at this time based on our financial institution's criteria, not the SBA's or Congress' intent. And it's not just us. I'm concerned that many non-profits will be unable to obtain assistance through PPP since it appears lenders are only taking applications from existing customers with existing loans. First-time loans and new customer applications are being denied.

When there is a decrease in funding in the ordinary course of business, a well-run non-profit doesn't seek a loan; it scales back services until additional funding (donations, grants, etc.) is secured. Being denied access to the funds Congress has appropriated to prevent job and service reductions will inevitably lead to the very circumstance you sought to prevent.

How many non-profits will be able to jump the hurdles placed in front of them simply to apply for the PPP? Close to zero, I suspect. The ITRC staff is working remotely and we are able to continue to provide victims with the assistance they need at a time of increased risk from cyberattacks and fraud scams. But, many other non-profits are not able to continue to provide support or will soon be unable to continue to operate without the help of PPP funds.

I want to make sure that our leaders are fully informed of these issues that aren't top of mind during this crisis, but nonetheless remain important. Thank you for your time, attention, and interest.

Sincerely,

Eva Casey Velasquez
President & CEO
Identity Theft Resource Center

