WASHINGTON – Sen. Mike Lee (R-UT) issued the following statement Thursday after introducing legislation earlier in the week to ease the regulatory burden on banks participating in the Paycheck Protection Program (PPP).

“The Paycheck Protection Program has become an essential vehicle for protecting millions of small businesses and hundreds of millions of jobs. The CFPB’s unauthorized attacks on banks participating in this program are putting all of these businesses and jobs at risk. Congress needs to act now to prevent CFPB meddling from creating any further delay in PPP lending and loan forgiveness,” Sen. Lee said.

Congress designed the Paycheck Protection Program (PPP) to be a lifeline program that relied on already existing infrastructure in the Small Business Administration and America’s lending institutions. The nation’s banks and other lenders answered the call by rapidly delivering liquidity to firms. Participation in the program was not easy; PPP was a new program with a difficult and evolving roll-out. America’s lenders nevertheless stepped up.

In order to ensure that haste was balanced with scrupulous review of the issuance of these lifeline loans, Congress appropriated additional money for the inspector general of the Small Business Administration to conduct oversight of these loans and verify that they went to legitimate businesses and were used for legitimate ends.

However, nowhere, did Congress authorize the Consumer Financial Protection Bureau (CFPB) to investigate banks for issuing these loans. Despite the CFPB’s clear and limited statutory role as a bureau protecting the finances of consumers, CFPB has taken it upon itself to scrutinize banks by initiating prioritized assessments for lenders that participated in PPP. CFPB has required banks to respond in a short time frame with detailed information on their involvement in PPP – including all the data on loans they have processed, the demographics of borrowers, loan forgiveness, etc. These assessments have no statutory ground, are a duplicative regulatory burden on our banks, and have impaired the rapid deployment of further PPP support and new second-draw loans.

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