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VIA ELECTRONIC SUBMISSION

April 1, 2020

The Honorable Steven T. Mnuchin
Secretary
Department of the Treasury
1500 Pennsylvania Avenue, N.W.
Washington, D.C. 20220

The Honorable Jovita Carranza
Administrator
Small Business Administration
409 3rd Street, S.W.
Washington, D.C. 20416

Dear Secretary Mnuchin and Administrator Carranza:

On behalf of the Financial Data and Technology Association of North America (“FDATA North America”), please accept our gratitude for the work you and your teams are doing to provide vital assistance to the United States’ small business community during the COVID-19 pandemic.

As you both are acutely aware, small businesses across the country are in dire need of immediate financial support at what would have been an unimaginable scale just several weeks ago. It is precisely for this reason that allowing borrowers and lenders to use digital financial records to qualify under the recently-enacted Paycheck Protection Program (“the Program”) will be critical.

The use of digital records under the Program will enable two essential functions:

1. Streamlined application and approval processes, leading to faster disbursement of Program aid to small businesses, and, by extension, their employees, while quickly while ensuring borrowers meet the underwriting requirements provided under the Coronavirus Aid, Relief, and Economic Security Act (“CARES Act” or “the Act”); and
2. Simplified validation processes for expenses borrowers make during the covered period that qualify for loan forgiveness under the law.

FDATA North America is the leading trade association advocating for customer-permissioned, third-party access to financial data. Our members include financial technology (“fintech”) lenders, aggregation, and financial services firms, which collectively provide digitally-enabled financial products and services to approximately 100 million American consumer and small business customers.



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We are concerned that the existing Small Business Administration (“SBA”) lending process and apparatus lack the speed and capacity required to support the unprecedented and growing demand that exists for small business assistance. Because very few large existing SBA lenders have digital application processes in place today, the success of the Program could be hampered by the amount of time required for businesses to have their applications considered and approved. Allowing small businesses to share their digital records with lenders by enabling a customer-permissioned data access application environment, however, would provide the institution or fintech making the loan with real-time access to the applicant’s financial transaction data, facilitating the ability to validate, immediately, the applicant’s eligibility under the Program. Customer-permissioned data access could therefore significantly reduce the amount of time required for lenders to consider applications, which in turn would increase the number of applications that any individual lender could consider.

The CARES Act also provides for a portion of loans made to small business borrowers under the Program to be forgiven. Specifically, up to eight weeks of payroll costs, interest on mortgage obligations, rent, and utilities payments may be forgiven for borrowers who meet the criteria provided under the Act. Here, too, customer-permissioned data access should be an integral component of the Program’s construct. Enabling the ability of a lender to view, with its customer’s permission, a borrower’s transaction data during the covered period will provide the lender with the capability to quickly and digitally validate the borrower’s eligibility for loan forgiveness.

The overwhelming majority of U.S. financial institutions today support their customers’ ability to provide third parties, including other financial institutions, with access to their financial data in order to utilize services or products offered by the third party through various means. Given the immediate need for assistance among the small business community, we strongly urge the SBA and the Department of the Treasury to formally allow in Program guidance the role that consumer records in the form of permissioned data can be used quickly consider applications and fund loans, and to validate loan forgiveness eligibility for approved borrowers.



Financial Data and
Technology Association

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Thank you for your consideration. Our members look forward to partnering with you and to deliver vital financial assistance to small businesses across the country in the weeks ahead.

Sincerely,

A handwritten signature in black ink, appearing to read "S. Boms", with a long horizontal line extending to the right.

Steven Boms
Executive Director
FDATA North America