

Madam Chairwomen, Members of the Committee—thank you for inviting me to speak today to the Committee regarding my experience with the Small Business Administration with respect to the Economic Injury Disaster Loan Program.

First, I would like to introduce myself. My name is Dr. Craig Gerstein. I am an Ophthalmologist who has been in private practice on the Northside of Chicago for the past 20 years. The practice itself has been providing care to the Northside of Chicago for over fifty years. As the COVID-19 crisis hit my area I elected to keep my thirteen employees employed and maintained limited office hours for emergencies and for those patients who required monitored care. My office volume had dropped to 15% of normal patient volume and I was no longer able to operate. I needed to look for help in order to stay viable. To further highlight the issues my practice had with the EIDL program—allow me to walk you through the process of applying for the loan and the subsequent events that furthered my stress and uncertainty as a small business owner.

The Pandemic's immense disruption of my small business demanded that I needed assistance in order for my practice to survive. It was at that time I listened to a webinar on small business resources hosted by Congressman Brad Schneider. On that call, which was attended by over a thousand constituents, a representative of the Small Business Administration detailed the Economic Injury Disaster Loan Program and the application process—which required several uploaded documents including business and personal tax forms as well as personal liability statements. The process was said to take about three weeks, and once approved, the loan would be received in five to seven business days. Loans would be evaluated on merit and would be distributed on a first-come first-serve basis. I spent most of the evening locating the forms I would need to download, and the next day on March 24th, I began the process to apply for an EIDL loan. Despite several crashes of the website I was able to complete my application 13 hours later—I needed to complete it over an elongated period of time because it was known that the website was going to be taken down to handle the increased traffic.

Soon after completing the required documents and submitting them with the application, I received an email from the SBA that my application had been received (Application #2000576078). On March

27th, I received another email stating that my application was under review. Then the nervous period of waiting for the assistance that determined the future of my practice and employees began.

Throughout the following three week waiting period, I called the SBA Help Desk to ask questions with the intention of clarifying the loan amount, how would I be contacted upon approval of the loan, and other vital information. However, each attempt to utilize the Help Desk was an enormous time commitment. I had called the help line several times while filling out the application. These calls would be a task unto themselves, as each call was at least an hour on hold at one time I even spent over two hours waiting to ask a single question.

On April 7th, I called the Help Line to ascertain a status of my loan only to be told that it was pending. I was also told that in three weeks, the loan officer would contact me regarding my approval and discuss the amount I needed and could borrow. After 3 weeks from my completed application the status on the portal changed from “pending” to “your recent Covid-19 EIDL application has been received. **Please reapply** at the following website to complete your self-certification....” I immediately called the Help Line and waited over 2 hours on the phone for a representative who was unable to explain the message and why I needed to reapply. After a three-week waiting period, after following the required instructions and submitting an application online, I was told to reapply and spend several more weeks without the ability to guarantee the future of my practice and the employment of my staff.

I completed the new self-certification form, hoping that this was just an addendum to my application, but then **I received a new application number - Application #3303842539**. I immediately called the SBA Help Line again, trying to figure out why I had two numbers. I was concerned that I was going to lose my position in line as the loans were said to be first-come, first-serve. The Help Line representative was unable to answer my questions and did not know why I had two application numbers. I wrote a detailed email to the SBA Customer Service email address, and never received an answer to my question. Instead, I received a response that directed me to three options. Either connect to the website application page which had been taken down, call the help line, or write another email. After weeks of waiting in uncertainty, the SBA could provide no answers and left me in a helpless position. I couldn't use the website which had been removed, the Help Desk had

no answers and could not address my concerns, and the email service offered nothing but an automatic reply. In desperation I continued to send several emails to the Disaster Customer Service hoping that somehow one would get answered, and I contacted Congressman Schneider's office for help in navigating this situation.

While the Congressman's office attempted to get information from their SBA liaison, I once again called the Help Line almost four weeks out from my completed application date. At that time, the SBA representative explained to me that loan applications submitted prior to the newest version of the CARES Act **were disregarded and that individuals needed to reapply**. There was no notification as to the changes in the CARES Act, as well as no notice that I needed to reapply. The lack of communication contributed to an already strenuous situation, and I was never given an explanation on why my first application was tossed out nor why I never received notification.

I finally received an email response from the Disaster Customer Service on April 25th that simply stated: "you had to reapply because SBA developed a new streamline application process and those who applied before (through the old process) had to reapply." I received this notification as the SBA ran out of funds from its first round of applications and thus shut down their application process.

These repeated miscommunications and logistical frustrations furthered an already difficult and worrisome experience. I did not know if my once completed application that was being "processed" would ever be considered, unable to reapply if it had been rejected, and I did not know what having two application numbers meant for my positioning in line for the loan. At the four-week period, the SBA liaison was giving the Congressman's office vague answers regarding my situation and I had nowhere to turn within the SBA to seek answers for my questions and assistance with my situation.

Uncertainty kills small businesses, and these processes built extreme pressure on my practice. We do not have the luxury of time. Invoices, rent, utilities, health and malpractice insurance payments, and the salaries for my staff continued to accumulate with no realization of how I would be able to cover those expenses. I needed the information and loan details that would have allowed me to decide to keep going or to close up shop—decisions that need to be made in real time with concrete answers. Unfortunately, hope doesn't pay the bills or put food

on the table. I felt as if the institution tasked with helping me through this crisis could offer no help or guidance.

Fortunately, after a six-week waiting period (which was supposed to be no longer than 3-weeks from the submission of my application), I received notification that I was approved for a loan—yet was not given the opportunity to discuss greater need with an SBA representative. I accepted the loan and sent an email with documentation to support a greater need of additional funds, but to this date have not received an answer from the SBA. I understand this is likely the result of demand for this crucial emergency support, and suggest the need for loans for so many small businesses in the wake of this crisis is indicative of a priority government must embrace.

I hope my experience highlights that while the SBA and the CARES ACT were designed to aid small businesses' needs especially during times of crisis, the lack of infrastructure, and transparency surrounding the SBA contributed to the stress that I and other business owners were experiencing during the economic uncertainty of the COVID-19 pandemic. The reality of the process in dealing with the SBA and specifically the EIDL program fell significantly short of what was promised through rhetoric and reassurances. I hope in the future, or as we prepare for further periods of uncertainty as this pandemic continues, there is more done by Congress to hold these loan programs accountable, and to ensure that the SBA is able to properly allocate the needed funds and communicate to the millions of small businesses owners during a time of great uncertainty.

Thank you for allowing me the time to address this committee today. It was an honor to be allowed to convey my experience with you, and hope I was able to offer helpful information through my personal experience with these resources.