

**Statement of Secretary Steven T. Mnuchin
Department of the Treasury
Before the Congressional Oversight Commission
U.S. Congress
December 10, 2020**

Senator Toomey, Representative Hill, Representative Shalala, and Commissioner Ramamurti, I am pleased to join you today to discuss the Department of the Treasury's work to execute the National Security Loan Program established in the CARES Act. Treasury has worked diligently to implement every piece of the CARES Act, including the National Security Loan Program, efficiently and transparently.

National Security Loan Program

The CARES Act provides funding for up to \$17 billion in loans to businesses critical to maintaining national security related to losses incurred as a result of coronavirus. The CARES Act authorized Treasury to make loans and loan guarantees for "businesses critical to maintaining national security." The statute, however, does not define that term. Therefore, after consulting with the Department of Defense and the Office of Director of National Intelligence, Treasury issued guidance on April 10, 2020, providing that a company can fall within this definition if it meets at least one of three criteria:

- 1) The applicant business performs under a "DX"-priority rated contract or order under the Defense Priorities and Allocations System regulations (15 CFR part 700);
- 2) The applicant business operates under a valid top secret facility security clearance under the National Industrial Security Program regulations (32 CFR part 2004); or
- 3) Based on a recommendation and certification by the Secretary of Defense or the Director of National Intelligence that the applicant business is critical to maintaining national security, the Secretary of the Treasury determines that the applicant business is critical to maintaining national security.

If a company met at least one of the three necessary criteria, Treasury conducted detailed financial and legal reviews of each application pursuant to consistent credit standards that were applied to all applicants.

To date, Treasury has approved 11 loans totaling nearly \$736 million. Information on the companies and dollar amounts are publicly available on our website, Treasury.gov.

Many of the companies we initially expected to take part in the program were able to raise funds in the capital markets, leaving most of the available loan funds unused. Going forward, I urge Congress to re-allocate these funds to provide relief for aviation industry workers, who continue to struggle through no fault of their own.

Conclusion

I would like to thank the members of the Commission for working with us to provide vital economic relief to American workers, families, and businesses. I hope that the extensive amount of information Treasury has provided to the Commission has been helpful to you, and I am pleased to answer any questions you may have.