



Paycheck Protection Program

Coronavirus Aid, Relief, and Economic Security (CARES) Act

On March 27th, 2020, Congress passed the Coronavirus Aid, Relief, and Economic Security (CARES) Act to address the initial social and economic fallout of the pandemic. This bill included aid for small businesses in the form of the Paycheck Protection Program (PPP). The program was designed to offer forgivable loans to small businesses facing economic hardship as a result of the coronavirus pandemic. However, in the absence of clear guidance from lawmakers, religious organizations, including houses of worship, have been able to obtain PPP loans, and use the funds for religious purposes. Data released by the Small Business Administration revealed that thousands of religious organizations have received over \$7 billion in funding. This startling departure from agency precedent robs small businesses of much needed funding and threatens the constitutional separation of religion and government.

Offering taxpayer funds for religious purposes is unconstitutional.

- Inviting religious organizations to use taxpayer dollars to fund religious activities directly undermines the separation of religion and government required by the Establishment Clause of the First Amendment.
- Using PPP loans to pay clergy, cover the mortgage for a house of worship, or sponsor doctrinal education crosses the line into government sponsorship of religion, expressly prohibited by the Establishment Clause of the First Amendment.
- PPP loans should be given to small businesses – the intended recipients of the funding. Channeling taxpayer dollars to private religious institutions will leave less funding available to small businesses and nonprofits in need.

We cannot abandon our democratic values in times of crisis.

- Public dollars should *never* be used to fund the religious activities of faith-based organizations, particularly when small businesses are struggling to stay afloat. Compromising our democratic values by allowing the government to fund religious activities through PPP loans will have an erosive effect that will endure long after this crisis has passed.
- Interfaith Alliance urges our leaders to push for greater transparency and accountability in the ongoing administration of coronavirus relief funds. Now more than ever, our elected officials are duty bound to act as good stewards of our public resources and constitutional values.

You can do something about it.

- Support increased oversight and accountability of PPP loan administration.
- Support measures that prevent religious organizations from using PPP funds for religious purposes.
- Approve language ensuring PPP loans are subject to rigorous transparency rules and measures that prioritize historically underserved markets when issuing further loans.

Interfaith Alliance is a national policy and advocacy organization committed to protecting true religious freedom, strengthening the wall of separation between religion and government, and combatting the misuse of religion to discriminate. Please contact Katy Joseph, Director of Policy & Advocacy, at kjoseph@interfaithalliance.org for more information.