

September 11, 2020

The Honorable Mitch McConnell
Majority Leader
United States Senate
Washington, D.C. 20510

The Honorable Nancy Pelosi
Speaker of the House
U.S. House of Representative
Washington, D.C. 20515

The Honorable Chuck Schumer
Minority Leader
United States Senate
Washington, D.C. 20510

The Honorable Kevin McCarthy
Minority Leader
U.S. House of Representatives
Washington, D.C. 20515

Dear Majority Leader McConnell, Speaker Pelosi and Minority Leaders Schumer and McCarthy:

The undersigned banking associations, representing banks that served millions of small businesses as part of the Paycheck Protection Program (PPP), write to express our strong support for legislative proposals to make the PPP loan forgiveness process simpler and less technical for small business borrowers.

The nearly 5 million small businesses that participated in the PPP have been significantly harmed this year and face continued risk because of the ongoing COVID-19 pandemic. While the PPP was incredibly helpful when businesses needed it most, as these small business continue to recover, having to complete a complicated forgiveness process will discourage many small businesses owners from applying and could place them in the position of taking on further debt simply because the forgiveness process was needlessly complex.

While we support congressional efforts and ongoing negotiations to assist all Americans, we do not believe small businesses should be entangled in the differences over a larger COVID relief package. As Congress returns from the district work period, we urge you to work expeditiously and in a bipartisan manner to ensure that well-meaning businesses will not be harmed due to an overly-complicated Small Business Administration (SBA) process on PPP loan forgiveness.

Lawmakers have introduced several legislative proposals to make the forgiveness process easier for small business borrowers. For example, proposals offered by Senate Small Business Committee Chairman Marco Rubio as part of S. 4321; *S. 4117, The Paycheck Protection Program Small Business Forgiveness Act*, sponsored by Senators Kevin Cramer, Bob Menendez, Thom Tillis and Kyrsten Sinema; and the House companion, *H.R. 7777*, sponsored by Representatives Chrissy Houlahan and Fred Upton.

If *S. 4117* or *H.R. 7777* were enacted, these proposals would forgive PPP loans of less than \$150,000 upon the borrower's completion of a simple, one-page forgiveness document. Simplifying the forgiveness application process for the smallest borrowers will provide additional relief to these businesses by eliminating the existing requirement to spend several hours dealing with onerous paperwork or expending precious dollars on consultants in order to comply with the existing PPP loan forgiveness forms. According to the SBA's data, PPP loans of

\$150,000 and under account for approximately 85 percent of total recipients, but less than 26 percent of loan dollars.

This simplified forgiveness for all loans of \$150,000 and under will also relieve SBA from an enormous administrative burden created by millions of requests for forgiveness. As the country continues to struggle with the economic consequences of the COVID-19 pandemic, *S.4117* or *H.R. 7777*, or a similar proposal, will allow SBA to direct its limited resources to help our nation's small businesses.

Helping small businesses throughout the pandemic has consistently been bipartisan. We strongly urge members of the Senate and House to continue these bipartisan efforts by quickly supporting PPP forgiveness proposals to provide relief to millions of small businesses.

Sincerely,

American Bankers Association
Alabama Bankers Association
Alaska Bankers Association
Arizona Bankers Association
Arkansas Bankers Association
California Bankers Association
Colorado Bankers Association
Connecticut Bankers Association
Delaware Bankers Association
Florida Bankers Association
Georgia Bankers Association
Hawaii Bankers Association
Idaho Bankers Association
Illinois Bankers Association
Indiana Bankers Association
Iowa Bankers Association
Kansas Bankers Association
Kentucky Bankers Association
Louisiana Bankers Association
Maine Bankers Association
Maryland Bankers Association
Massachusetts Bankers Association
Michigan Bankers Association
Minnesota Bankers Association
Mississippi Bankers Association
Missouri Bankers Association
Montana Bankers Association
Nebraska Bankers Association
Nevada Bankers Association
New Hampshire Bankers Association
New Jersey Bankers Association

New Mexico Bankers Association
New York Bankers Association
North Carolina Bankers Association
North Dakota Bankers Association
Ohio Bankers League
Oklahoma Bankers Association
Oregon Bankers Association
Pennsylvania Bankers Association
Puerto Rico Bankers Association
Rhode Island Bankers Association
South Carolina Bankers Association
South Dakota Bankers Association
Tennessee Bankers Association
Texas Bankers Association
Utah Bankers Association
Vermont Bankers Association
Virginia Bankers Association
Washington Bankers Association
West Virginia Bankers Association
Wisconsin Bankers Association
Wyoming Bankers Association

cc: The Honorable Marco Rubio
Chairman
Committee on Small Business & Entrepreneurship

The Honorable Ben Cardin
Ranking Member
Committee on Small Business & Entrepreneurship

The Honorable Nydia M. Velázquez
Chairwoman
Committee on Small Business

The Honorable Steve Chabot
Ranking Member
Committee on Small Business

Members of the United States Senate

Members of the U.S. House of Representatives