

May 28, 2020

The Honorable Steven Mnuchin
Secretary
U.S. Treasury
1500 Pennsylvania Avenue, N.W.
Washington, D.C. 20220

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

Dear Secretary Mnuchin and Administrator Carranza:

We the undersigned banking associations, representing banks of all sizes in every state, are concerned that the process associated with the Paycheck Protection Program (PPP) Loan Forgiveness application as outlined in the recently released guidance is unnecessarily burdensome on our nation's small businesses. We urge you to consider a streamlined process for small loans.

We are concerned that this process will require even the smallest PPP borrowers to hire outside experts in order to realize the purpose of the program and receive forgiveness of their PPP loan. The quick rollout of this program saw many of our member banks processing unprecedented numbers of loans in a short period of time. With the SBA estimate that each loan forgiveness application will take up to three hours to complete, banks will struggle to assist their customers in a timely manner due to this technical and burdensome process. Banks of all sizes stand ready to assist their customers, but we urge you to consider a more streamlined process.

We believe it would best serve the interests of small business owners, taxpayers, and the policy objectives established by Congress, to consider making the loan forgiveness process easier and less technical for smaller borrowers, whose businesses are already at greatest risk because of COVID-19. We urge you to consider a de minimis threshold under which borrowers with outstanding loans may receive 100% PPP loan forgiveness through completion of a "PPP-EZ form" – a simple one-page attestation – acknowledging that they spent the majority of PPP funds to preserve the jobs of their employees as outlined in the guidance and consistent with their PPP application. Borrowers could still be asked to maintain documentation in the case of an SBA audit in future years, but simplifying the forgiveness application process for the smallest borrowers will provide additional relief to struggling small businesses by eliminating the existing requirement to spend hours dealing with unnecessarily complicated paperwork, performing calculations, or expending precious dollars on consultants in order to comply.

In addition to relieving these small businesses of the significant time and expenses required by the guidance released, this streamlined approach for loans will also relieve the SBA from an enormous administrative burden created by millions of requests for forgiveness.

We are confident that a streamlined process can be created by the Treasury and the SBA that would comply with the plain language of the CARES Act, and encourage quick action to establish such a process before these small business expend precious resources hiring outside expertise to assist them with the very burdensome process currently outlined in interim final rule.

Thank you for your consideration of this request.

Sincerely,

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