

March 22, 2021

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

Dear Administrator Guzman:

We the undersigned banking associations, representing banks of all sizes in every state, write to express our concerns regarding the pool of Paycheck Protection Program (PPP) loans that have surpassed the 90-day period by which the Small Business Administration (SBA) is required to provide its decision on whether to forgive the loan, under the Interim Final Rule issued on January 19, 2021 (Forgiveness IFR). Both borrowers and lenders have been patient as SBA works through this process, but as weeks have now turned into months, we are writing to urge you to allocate the necessary resources to expeditiously work through these outstanding loans to allow potentially over 230,000¹ small businesses across the country to continue to operate during the COVID-19 pandemic.

According to the Forgiveness IFR, SBA is required to remit the appropriate forgiveness amount “not later than 90 days after the lender issues its decision to SBA.”² We have heard repeatedly from our members across the country that SBA has exceeded this regulatory deadline, sometimes by weeks or months. When lenders inquire with SBA, they are often met with silence about when SBA’s review will conclude and whether the loans in question will be forgiven. This lack of information leaves the small business borrowers in a state of uncertainty and without the ability to fully utilize their capital resources while they wait for a decision from SBA.

We commend the SBA’s attempts to safeguard the PPP against waste, fraud, and abuse of taxpayer-funded dollars in conducting additional reviews of forgiveness applications, but the resulting delay prevents an efficient winding down of the program for those businesses that have expended these emergency grant funds. The ensuing limbo is creating unnecessary strain for small businesses and preventing them from making necessary business decisions as they project their costs and expenditures for the remainder of this year and beyond.

Banks of all sizes continue to support their small business customers through the PPP and do their part to spur the continued reopening of the economy. We urge you to resolve any reviews for any loans that have been in review longer than 90 days.

Sincerely,

Alabama Bankers Association

¹ *SBA Forgiveness Data as of March 18, 2021*, <https://www.sba.gov/funding-programs/loans/coronavirus-relief-options/paycheck-protection-program/ppp-data#section-header-8> (last accessed March 22, 2021).

² Business Loan Program Temporary Changes; Paycheck Protection Program—Loan Forgiveness Requirements and Loan Review Procedures as Amended by Economic Aid Act, 86 Fed. Reg. 8288 (Feb. 5, 2021).

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