

September 29, 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 trade associations, representing banks and credit unions of all sizes, community development banks and minority depository institutions that served millions of small businesses as part of the Small Business Administration's Paycheck Protection Program (PPP), write to express our strong and unwavering support for our nation's small businesses that desperately need Congress to set aside partisan differences and pass legislation to allow for a continuation of the PPP.

While our country has seen a noticeable rebound since the beginning of the pandemic, all indications are the economic recovery will be slower than anticipated without additional assistance from Congress. At the heart of our recovery is the ability for small businesses, which employ tens of millions of people, to pay their employees and maintain their monthly expenses. The PPP provided over 5 million small businesses the financial lifeline they desperately needed to weather the start of the pandemic and the economic shutdown that followed. As these businesses continue to recover, they will need additional resources to maintain business operations, and the PPP remains the most efficient and effective means to assist them through this challenging period.

Helping struggling small businesses should not be a partisan issue. And while we support Congressional efforts to assist all Americans through this crisis, we do not believe small businesses should be entangled in the many differences over a larger COVID relief package. We urge you to not leave Washington without working in a bipartisan manner to pass legislation that will allow for additional funding for the PPP.

Additionally, millions of small businesses that received PPP loans are now moving into the "forgiveness" phase of the process that turns a PPP loan into a grant. Unfortunately, these struggling small businesses are stuck having to complete an overly-complicated, SBA-designed forgiveness process that, if not completed fully and accurately, will place them in the position of taking on further debt simply because the process was needlessly complex. The Government Accountability Office recently released a report noting that forgiveness applications could take up to 15 hours for borrowers to complete and 75 hours for lenders to review. This is an inappropriate burden to place on American small businesses simply trying to survive during a pandemic.

Lawmakers in both the House and Senate have introduced several bipartisan proposals to make the forgiveness process easier for small business borrowers. For example, forgiveness simplification as offered by 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 are proposals that should receive immediate consideration.

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 an easy, 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 87 percent of total recipients, but less than 28 percent of loan dollars.

Throughout the pandemic, helping small businesses has consistently been bipartisan. As lenders that support our nation's small businesses and stepped up to help deliver the critical relief the Paycheck Protection Program provided, we strongly urge members of the Senate and House to continue these bipartisan efforts by quickly supporting an extension of PPP funding and a simpler forgiveness process that will make converting loans into grants easier and less technical for millions of small business borrowers that have PPP loans.

Sincerely,

American Bankers Association  
Bank Policy Institute  
Community Development Bankers Association  
Consumer Bankers Association  
Credit Union National Association  
Financial Services Forum  
Independent Community Bankers of America  
Mid-Sized Bank Coalition of America  
National Association of Federally-Insured Credit Unions  
National Bankers Association

cc: Members of the U.S. Senate  
Members of the U.S. House of Representatives