

Dear Secretary Mnuchin and Administrator Carranza:

The Paycheck Protection Program (PPP), guided by your efforts, provided small businesses across the country the economic relief they needed to meet the challenges posed by the COVID-19 crisis. Not only was your response to this crisis swift, making 14 years' worth of SBA loans in 14 days, but it was also unparalleled in scope. In total, the PPP program approved over 5.2 million loans totaling more than 525 billion dollars. More importantly, this monumental effort helped save the jobs of over 51 million Americans.¹

Despite the overwhelming success of the PPP program, more can and should be done to help U.S. small businesses stay afloat during these unprecedented economic times. Countless small business owners who are facing the challenges of reopening local economies, retooling their businesses, and working to protect the health of both customers and employees have indicated that further action is required to streamline the burdensome PPP forgiveness process.

As the representatives of millions of small business owners and their employees, we write to express our strong support for a streamlined forgiveness process for all Paycheck Protection Program (PPP) loans. Small businesses across our districts and the country simply cannot afford to face the burdensome process of applying for PPP loan forgiveness. Some estimates indicate the current forgiveness reporting requirements will cost \$2,000-\$4,000 for each business, requiring 20-100hrs to complete.²

In addition, financial institutions and businesses need certainty regarding forgiveness to ensure business will not have to repay PPP loans and financial institutions will not be forced to hold these loans on their balance sheets. By streamlining the forgiveness process, your agencies can ensure our small business owners and financial institutions can focus their time, energy, and resources back into their business and communities instead of allocating significant time and resources into completing complex forgiveness forms.

Recently on a manufacturing summit Secretary Mnuchin said "We're trying to work on a solution for loans 50 thousand and less administratively." Congress has introduced multiple provisions aimed at reducing the forgiveness reporting requirements of PPP loans. Most notably, the bipartisan bill H.R. 7777, The Paycheck Protection Small Business Forgiveness Act would provide simplified forgiveness for loans under \$150,000. PPP loans of \$150,000 and under account for 87 percent of total PPP recipients, but less than 28 percent of PPP loan dollars. Expediting the loan forgiveness process for many of these hard-hit businesses would save more than \$7 billion in compliance costs. This much-needed, time-sensitive reform, is supported by over 150 state and national trade associations³, and would streamline the forgiveness process for main street businesses, potentially saving them 70 million hours of owner labor.⁴

¹ House Select Subcommittee on the Coronavirus Crisis, Minority Staff Report, "Resounding Success: A review of the Paycheck Protection Program," September 1, 2020.

² Ben Sabloff, Jason Ford, Gaby Garcia, "Is It Easier to Ask for Forgiveness Than Permission? Not for PPP Loans Under \$150K" AQN Strategies, June 1, 2020, <https://www.aqnstrategies.com/aqncentral/forgive-small-ppp>

³ Trade Association letter signed by approximately 150 business groups dated July 9, 2020.

⁴ Slaboff, et. all.

On behalf of our constituents and the millions of small business they serve, we urge you to reform the current, overly complex PPP forgiveness process to provide streamlined forgiveness for loans of \$150,000 and under. All the great work your agencies have done during this process should not be negated by an onerous forgiveness process. Time is of the essence and we look forward to working with your agencies to achieve this goal. Thank you for your strong, common-sense leadership on such a critical issue.