

September 17, 2020

The Honorable Mitch McConnell
Majority Leader
U.S. Senate
428A Russell Senate Office Building
Washington, D.C. 20510

The Honorable Nancy Pelosi
Speaker
U.S. House of Representatives
H-232 U.S. Capitol
Washington, D.C. 20510

The Honorable Charles Schumer
Democratic Leader
U.S. Senate
428A Russell Senate Office Building
Washington, D.C. 20510

The Honorable Kevin McCarthy
Minority Leader
U.S. House of Representatives
H-204 U.S. Capitol
Washington, D.C. 20515

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

The undersigned associations representing thousands of banks, credit unions, financial institutions, nonprofits and businesses of all sizes that serve America's consumers write to express our strong support for S. 4117, The Paycheck Protection Program Small Business Forgiveness Act, sponsored by Senators Kevin Cramer, Bob Menendez, Thom Tillis and Kyrsten Sinema and H.R. 7777, The Paycheck Protection Small Business Forgiveness Act, sponsored by Reps. Chrissy Houlahan and Fred Upton. We ask that Congress immediately pass these much-needed bipartisan pieces of legislation, supported by a third of the Senate and 77 members of the House of Representatives, that would streamline the forgiveness process for mom-and-pop businesses who received Paycheck Protection Program loans during these unprecedented times.

The Paycheck Protection Program (PPP), established by Congress, provided millions of small businesses the economic relief they needed to meet the challenges posed by the COVID-19 crisis. Now that the program has ended, small business owners and nonprofits are facing the challenges of reopening local economies in a time of uncertainty, retooling their businesses, working to protect the health of both customers and employees, and serving the needs of the community. Small businesses across the country are facing the time-consuming and costly process of applying for PPP loan forgiveness. S. 4117 and H.R. 7777 ensure those businesses 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.

America's small businesses, and the millions of men and women who work at them, are the foundations of communities across the country and the economy and in order to assist them, we urge Congress to quickly pass these pieces of legislation that would forgive PPP loans of less than \$150,000 upon the borrower's completion of a simple, one-page forgiveness document.

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 and hours of paperwork.

Data provided in an independent analysis by AQN Strategies (AQN) has shown an estimated benefit of issuing auto-forgiveness for various loan size thresholds.¹ AQN anticipates the combined resource requirements of operators' time and/or third-party expenses to represent an effective cost of \$2,000-\$4,000 for each business that applies for forgiveness, requiring 20-100 hours of focused time from key leaders of these businesses. With an average loan size of less than \$19,000 for the smallest 60% of loans, this estimate would represent 10-20% of the loan amount itself, which is otherwise intended to support payroll, rent, and other obligations necessary to keep businesses alive and ready to restart. In addition, AQN's analysis suggests that the cost to businesses and lenders would be lower than the cost for the government to auto-forgive loans.

On behalf of our members and the millions of small business we serve, we urge you to improve the PPP forgiveness process and support S. 4117 and H.R. 7777. Time is of the essence and we look forward to working with you to pass these critical bills. Thank you for your strong, common-sense leadership on such a critical issue.

Sincerely,

Aeronautical Repair Station Association
Air Conditioning Contractors of America
American Bankers Association
American Coatings Association
American Farm Bureau Federation
American Financial Services Association
American Foundry Society
American Hotel & Lodging Association
American Land Title Association
American Road & Transportation Builders Association
American Staffing Association
America's Small Business Development Center Network
Asian American Hotel Owners Association
Associated Equipment Distributors
Associated Industries of Massachusetts
Associated Wire Rope Fabricators
Association of Credit and Collection Professionals

¹Ben 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>

Association of Marina Industries
Association of Woodworking & Furnishing Suppliers
Bank Policy Institute
Brick Industry Association
CAMEO- California Association for Micro Enterprise Opportunity
CCIM Institute
Commercial Food Equipment Service Association
Consumer Bankers Association
Credit Union National Association
Decorative Hardwoods Association
Electronic Transactions Association
Farm Credit Council
Financial Services Forum
Foodservice Equipment Distributors Association
Global Cold Chain Alliance
Golf Course Superintendents Association of America
GovEvolve
Habitat for Humanity International
Home Furnishings Association
HUBZone Contractors National Council
Independent Beauty Association
Independent Community Bankers of America
Independent Electrical Contractors
Independent Insurance Agents and Brokers of America
Innovative Lending Platform Association
Institute of Real Estate Management
International Franchise Association
Intuit
Manufactured Housing Institute
Manufacturer & Business Association
Mid-Size Bank Coalition of America
Modular Building Institute
Motor and Equipment Manufacturers Association
National Association for Surface Finishing
National Association for the Self-Employed
National Association of Chain Drug Stores
National Association of Chemical Distributors
National Association of Federally-Insured Credit Unions
National Association of Professional Employer Organizations
National Association of Professional Insurance Agents
National Association of Realtors

National Association of Surety Bond Producers
National Association of Women Business Owners
National Bankers Association
National Career Development Association
National Community Pharmacists Association
National Cotton Council
National Council of Chain Restaurants
National Council of Nonprofits
National Demolition Association
National Electrical Contractors Association
National Electrical Manufacturers Representative Association
National Independent Automobile Dealers Association
National Investor Relations Institute
National Limousine Association
National Lumber & Building Material Dealers Association
National Restaurant Association
National Retail Federation
National RV Dealers Association.
National Association of Home Builders
New York State Land Title Association
NFIB
North American Association of Food Equipment Manufacturers
Painting Contractors Association
Pennsylvania Food Merchants Association
Pet Industry Distributors Association
Petroleum Marketers Association of America
Private Practice Section of the American Physical Therapy Association
Secondary Materials and Recycled Textiles Association
Security Industry Association
Small Business & Entrepreneurship Council
Small Business Council of America
Small Business Legislative Council (SBLC)
Small Business Majority
Society of Collision Repair Specialists
South Carolina Restaurant and Lodging Association
Southwest Cable Communications Association
Specialty Equipment Market Association
Texas Bankers Association
The Mineral, Metals, and Materials Society
The National Association of Trailer Manufacturers
Tire Industry Association

U.S. Chamber of Commerce
U.S. Hispanic Chamber of Commerce
United Veterinary Services Association
Vacation Rental Management Association
Washington Retail Association
Water Quality Association
Wine & Spirits Wholesalers of America
Women Impacting Public Policy (WIPP)
World Floor Covering Association
Young Audiences Arts for Learning