

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.<sup>1</sup> 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 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  
Association of Marina Industries  
Association of Woodworking & Furnishing Suppliers

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<sup>1</sup>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>

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 Women Business Owners  
National Bankers Association

National Career Development Association  
National Community Pharmacists Association  
National Cotton Council  
National Council of Chain Restaurants  
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