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August 6, 2020

The Honorable Marco Rubio  
Chairman  
Committee on Small Business  
United States Senate  
Washington, D.C. 20510

Dear Chairman Rubio:

On behalf of community banks across the country, with more than 52,000 locations, I write to thank you for your ongoing work to create and refine the Paycheck Protection Program (Program) in a changing economic environment. The Program has been a lifeline to thousands of small businesses across the country during the ongoing pandemic. We strongly support your current efforts to renew the Program before it expires on August 8 and to make changes that will simplify it, make it more flexible for borrowers, and qualify larger loans. In particular, ICBA supports the following changes to the Program which you have put forward:

**Simplified forgiveness for smaller loans.** We must not allow the Program to be undermined by an overly complex process for obtaining forgiveness. PPP borrowers with loans of less than \$150,000 should qualify for forgiveness based on an attestation to a good faith effort to use loan proceeds in accordance with program guidance. PPP borrowers with loans of less than \$2 million should be allowed to a streamlined process for obtaining forgiveness. These provisions would allow small business borrowers to remain focused on the challenge of adapting their businesses to a new environment and protecting the safety of their employees and customers.

**Lender safe harbor.** Community banks made thousands of PPP loans on an expedited basis because they recognized the urgent need of their local businesses. They acted in good faith in complying with SBA guidance which was changing and often ambiguous. ICBA strongly supports a safe harbor to protect lenders from enforcement action that relied in good faith on borrower certifications and documentation.

Notably, Sens. Kevin Cramer and Bob Menendez have advanced legislation, “The Paycheck Protection Small Business Forgiveness Act,” (S. 4117) which has broad bipartisan support, to provide needed PPP forgiveness simplification and a safe harbor.

*The Nation's Voice for Community Banks.®*

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**Additional eligible expenses.** ICBA supports expansion of allowable and forgivable expenditures for Program funds. PPP borrowers have faced many new expenses since the program was launched in April, including costs related to transitioning to virtual environment, property damage from public disturbances, costs related to ensuring the safety of workers and customers, and other expenditures. For the Program to achieve its full potential, these expenses must be allowable and forgivable.

**Selection of covered loan period for forgiveness.** ICBA supports giving PPP borrowers flexibility in selecting their covered period for forgiveness. This flexibility is necessary to maximize the potential of the Program.

**Eligibility for higher loan amounts based on updated regulations.** Program borrowers that qualify for larger loans based on subsequent changes to loan calculations should be allowed to work with their lenders to obtain additional funds. This change is fair to borrowers and provides them with more funds needed to sustain their businesses.

**More flexible loan calculations for farmers and ranchers.** ICBA supports a change that would allow certain farmers and ranchers to obtain larger loans by using a more favorable gross income calculation based on 2019 Schedule F. Lenders would be allowed to increase previously approved loans based on these more favorable calculations. Farmers and ranchers are struggling in the current environment and should be allowed to access larger loans.

Thank you again for putting forward these important reforms to the PPP. We believe they will help the Program reach its full potential for the benefit of borrowers and employees. We look forward to working with you to advance these proposals into law as soon as possible.

Sincerely,

/s/

Rebeca Romero Rainey  
President & CEO

CC: Senate Small Business Committee Ranking Member Ben Cardin