



September 14, 2020

The Honorable Mitch McConnell  
Majority Leader  
United States Senate  
Washington, DC 20510

The Honorable Chuck Schumer  
Minority Leader  
United States Senate  
Washington, DC 20510

The Honorable Nancy Pelosi  
Speaker  
House of Representatives  
Washington, DC 20515

The Honorable Kevin McCarthy  
Republican Leader  
House of Representatives  
Washington, DC 20515

Dear Majority Leader McConnell, Speaker Pelosi, Leader Schumer, and Leader McCarthy,

The undersigned credit union associations, on behalf of America's credit unions and their 120 million members, write to express our strong support for simplifying the Paycheck Protection Program's (PPP) loan forgiveness process to better serve the small business borrowers adversely affected by COVID-19. We urge enactment of S. 4117 and H.R. 7777, the Paycheck Protection Program Small Business Forgiveness Act.

Credit unions across the nation have made thousands of PPP loans to help small business owners recover from the impact of the pandemic. For the country's smallest credit unions, that amounts to over 60,000 loans averaging just \$49,000—a true measure of just how crucial this program has been to Main Street America.

As you know, the linchpin of PPP is loan forgiveness. This unique feature effectively turns a PPP loan into a grant if specific conditions are met for the use of the borrowed funds. Loan forgiveness helps support businesses by providing them funding to pay employees and other operating expenses that will not have to be repaid, allowing businesses to stay solvent in a time of decreased revenues.

However, as the PPP transitions from lending money to small businesses to the loan forgiveness phase, lenders and borrowers are starting to wrestle with the requirements for loan forgiveness. The size and sophistication of borrowers varies widely from large public corporations to the self-employed. In fact, some credit unions made PPP loans to members for less than \$1,000. However, in their commonality, we suspect that nearly all borrowers envision applying for and receiving forgiveness for these loans.

The Paycheck Protection Program Small Business Forgiveness Act would allow America's small business owners and Main Street financial institutions to remain focused on serving their communities rather than jumping through burdensome regulatory hurdles. Specifically, this bill would provide forgiveness for PPP loans of \$150,000 or less if the borrower submits an attestation form to the lender. It also ensures that the lender will be held harmless from any enforcement action if the borrower's attestation contained falsehoods.

Credit unions are increasingly concerned that the loan forgiveness process is overly complicated for most businesses. The complexity of the forgiveness process is compounded for small businesses as they may require outside counsel to correctly navigate the application process. This is an expense many of the smallest businesses cannot afford during such a crucial time. Creating an overly complex forgiveness process would seem to be the

antithesis to the spirit of a program designed to rapidly deploy resources to small business, especially when the expectation is that the funds appropriated to PPP were never expected to be repaid.

The Paycheck Protection Program Small Business Forgiveness Act is commonsense legislation that would help small businesses navigate the final steps in the PPP lending process. We hope it can be enacted swiftly to help small businesses that need the loan forgiveness process to be as simple, cost-effective and efficient as possible. We ask for this legislation's immediate consideration and enactment.

On behalf of America's credit unions and their 120 million members, thank you for your leadership during this crisis and the consideration of our views.

Sincerely,



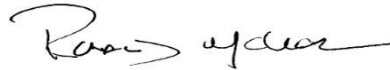
Jim Nussle, President and CEO  
Credit Union National Association



Diana Dykstra, AACUL Chair  
President and CEO  
California & Nevada Credit Union Leagues



Daniel McCue, President and CEO  
Alaska Credit Union League



Ron McLean, President and CEO  
Cooperative Credit Union Association



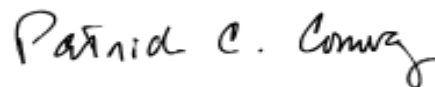
Dan Schline, President and CEO  
Carolinas Credit Union League



Caroline Willard, President and CEO  
Cornerstone Credit Union League



Bruce Adams, President & CEO  
Credit Union League of Connecticut



Patrick Conway, President and CEO  
CrossState Credit Union Association



Jeff Olson, President and CEO  
Credit Union Association of the Dakotas



Debbie Painter, President and CEO  
Kentucky Credit Union League



Dennis Tanimoto, President and CEO  
Hawaii Credit Union League



Patrick La Pine, President and CEO  
League of Southeastern Credit Unions



Brad Douglas, President and CEO  
Heartland Credit Union Association



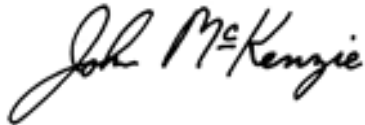
Bob Gallman, President and CEO  
Louisiana Credit Union League



Tom Kane, President and CEO  
Illinois Credit Union System



Todd Mason, President and CEO  
Maine Credit Union League



John McKenzie, President and CEO  
Indiana Credit Union League



John Bratsakis, President and CEO  
Maryland | DC Credit Union Association



Murray Williams, President and CEO  
Iowa Credit Union League



Dave Adams, President and CEO  
Michigan Credit Union League & Affiliates



Mark Cummins, President and CEO  
Minnesota Credit Union Network



William Mellin, President and CEO  
New York Credit Union Association



Charles Elliott, President and CEO  
Mississippi Credit Union Association



Troy Stang, President and CEO  
Northwest Credit Union Association



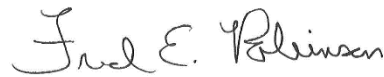
Tracie Kenyon, President and CEO  
Montana's Credit Unions



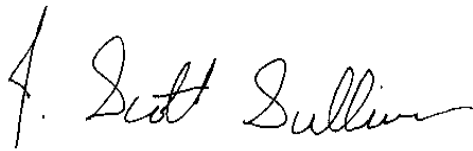
Paul Mercer, President and CEO  
Ohio Credit Union League



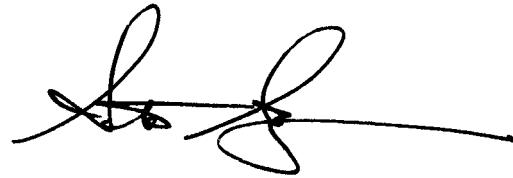
Scott Earl, President and CEO  
Mountain West Credit Union Association



Fred Robinson, President and CEO  
Tennessee Credit Union League



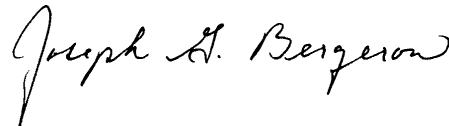
J. Scott Sullivan, President and CEO  
Nebraska Credit Union League & Affiliates



Scott Simpson, President and CEO  
Utah Credit Union Association



Paul Stull, President and CEO  
Credit Union Association of New Mexico



Joe Bergeron, President and CEO  
Association of Vermont Credit Unions



Rick Pillow, President and CEO  
Virginia Credit Union League



Ken Watts, President and CEO  
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Brett Thompson, President and CEO  
Wisconsin Credit Union League