

November 19, 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:

We, the undersigned associations representing thousands of banks, credit unions, financial institutions, nonprofits and businesses of all sizes that serve America's consumers, write to urge you to immediately address the overburdensome Paycheck Protection Program (PPP) forgiveness process before the end of the year. Congress can solve this problem and inject the equivalent of \$7 billion into our economy by passing bipartisan, common-sense legislation to streamline PPP forgiveness for small businesses on Main Street in communities across the country.

We encourage Congress to quickly consider legislation that will help countless businesses navigate the overly complex forgiveness process. 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 are bipartisan and bicameral legislation introduced earlier this Congress and would reduce compliance costs by streamlining the forgiveness process for mom-and-pop businesses who received PPP loans during these unprecedented times. Additionally, passing such legislation that would expand the hold harmless protections for lenders will provide financial institutions that originated and currently service PPP loans the opportunity to focus their time and energy on providing much-needed credit and financial services to individuals and businesses by creating regulatory certainty for PPP loans in the future.

The PPP forgiveness process has already begun for banks and will continue for them and for millions of American businesses in the coming months. Businesses have been patiently awaiting for Congress to act, hoping that an improved and streamlined forgiveness process will ensure they can focus their time, energy, and resources back into their business and communities instead of allocating significant time and expense 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 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 businesses we serve, we urge you to improve the PPP forgiveness process and support streamlined forgiveness efforts. Financial institutions across the country stand ready to service a second round of PPP loans for our small business and nonprofit customers, but Congress must act now in order to ensure a second round of funds reach those most severely impacted expeditiously. 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  
AICC, The Independent Packaging Association  
Air Conditioning Contractors of America (ACCA)  
American Bankers Association  
American Case Management Association  
American Dental Association  
American Farm Bureau Federation  
American Financial Services Association  
American Foundry Society  
American Hotel & Lodging Association

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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>

American Jail Association  
American Land Title Association  
American Road & Transportation Builders Association (ARTBA)  
American Staffing Association  
America's SBDC  
Asian American Hotel Owners Association  
Associated General Contractors of America  
Associated Industries of Massachusetts  
Associated Wire Rope Fabricators  
Association for Comprehensive Energy Psychology  
Association for Enterprise Opportunity  
Association of Credit and Collection Professionals  
Association of Marina Industries  
Association of Women's Business Centers  
Association of Woodworking & Furnishing Suppliers  
Bank Policy Institute  
Brick Industry Association  
CAMEO- California Association for Micro Enterprise Opportunity  
Commercial Food Equipment Service Association – CFESA  
Consumer Bankers Association  
Credit Union National Association  
Decorative Hardwoods Association  
DHI – Door Security + Safety Professionals  
Electronic Transactions Association  
Electronics Representatives Association  
Financial Services Forum  
Foodservice Consultants Society International - The Americas Division  
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 & Brokers of America  
Innovative Lending Platform Association  
International Franchise Association  
International Sign Association  
Leading Builders of America  
Manufacturer & Business Association

Marine Retailers Association of the Americas  
Mid-Size Bank Coalition of America  
Modular Building Institute  
Modular Home Builders Association  
National Association for Surface Finishing  
National Association for the Self-Employed  
National Association of Chain Drug Stores  
National Association of Federally-Insured Credit Unions  
National Association of Home Builders  
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 Tax Professionals  
National Association of the Remodeling Industry  
National Career Development Association  
National Community Pharmacists Association  
National Cotton Council  
National Electrical Contractors Association  
National Electrical Manufacturers Representatives Association (NEMRA)  
National Limousine Association  
National Marine Manufacturers Association  
National Restaurant Association  
National Retail Federation  
National RV Dealers Association (RVDA)  
National Stone, Sand & Gravel Association  
National Wooden Pallet & Container Association  
New York State Land Title Association  
North American Association of Food Equipment Manufacturers (NAFEM)  
Page 30 Coalition  
Painting Contractors Association  
Pet Industry Distributors Association.  
Professional Beauty Association (PBA)  
Secondary Materials and Recycled Textiles Association  
Small Business Roundtable  
Society of American Florists  
Society of Collision Repair Specialists (SCRS)  
South Carolina Restaurant & Lodging Association  
Specialty Equipment Market Association (SEMA)  
Specialty Tools & Fasteners Distributors Association  
Specialty Tools & Fasteners Distributors Association

The Brick Industry Association  
The Energy Marketers of America (EMA)  
The Global Cold Chain Alliance  
The Mineral, Metals, and Materials Society  
The National Association of Trailer Manufacturers  
The National Bankers Association  
The National Council of Investigation & Security Services  
The Promotional Products Association International (PPAI)  
The Small Business Council of America  
The Small Business Legislative Council  
The Texas Bankers Association  
Tire Industry Association  
U.S. Black Chambers  
U.S. Chamber of Commerce  
United States Hispanic Chamber of Commerce  
United Veterinary Services Association  
Vacation Rental Management Association  
Washington Retail Association  
Women Impacting Public Policy (WIPP)  
World Floor Covering Association  
Young Audiences Arts for Learning