



September 14, 2021

Isabella Casillas Guzman
Small Business Administration
409 3rd St, SW.
Washington DC 20416

Re: PPP Forgiveness

Dear Administrator Guzman:

On behalf of the Consumer Bankers Association (“CBA”), I write in response to the Small Business Administration’s (“SBA”) recent implementation of the forgiveness process for the Paycheck Protection Program (“PPP”) and to share our views on our members’ progress in the forgiveness process of PPP loans. CBA supports all efforts to increase and accelerate the PPP forgiveness process. Accordingly, in 2020, CBA successfully led a coalition of more than 100 associations representing businesses, non-profits and lenders in calling on Congress to streamline PPP forgiveness to help the smallest businesses receiving PPP loans. This coordinated effort led Congress to pass legislation simplifying the forgiveness process for loans less than \$150,000, amounting in the equivalent of \$7 billion of additional small business relief. We will continue to support all efforts to ensure U.S. small business receives quick relief to the crisis caused by the pandemic.

CBA applauds the change made by the SBA to further simplify and streamline the forgiveness process for Second Draw PPP loans of \$150,000 or less by providing borrowers an optional method to document revenue reduction through the COVID Revenue Reduction Score. As more small businesses who received Second Draw PPP loans look to begin the forgiveness stage, this measure will provide for a less burdensome process – enabling small businesses to focus their time and energy back into their business and communities.

We also commend the SBA on the development of its direct borrower forgiveness portal. CBA believes the direct portal will go far in helping many small businesses navigate and successfully resolve the PPP forgiveness process. The direct portal will ultimately accelerate PPP forgiveness, freeing many small businesses of PPP indebtedness and helping many recover from the pandemic and access other resources.

While we greatly support these efforts, many of CBA’s members at great expense developed their own successful PPP forgiveness platforms prior to SBA’s direct portal announcement and have chosen not to opt-in to the SBA’s direct portal. Due to these efforts, 2020 PPP loan recipients have reached 86 percent forgiveness rates. These individual portals continue to work well for borrowers and allow our member banks to retain the vitally important customer relationship and better assist with the PPP forgiveness process. A recent internal survey indicated CBA members have reached roughly 97 percent of 2020 borrowers and roughly 85 percent of 2021 borrowers to initiate the forgiveness process. Of course, these efforts are ongoing, and CBA shares the SBA’s goal of completing the forgiveness process for all PPP loans as soon as possible.

In a September 2nd communication to PPP lenders, the SBA indicated it “continues to hear from borrowers that select lenders are not accepting forgiveness for 2021 PPP loans or are not actively reaching out to borrowers to invite them to apply.” The SBA also said it will be conducting independent outreach and audits on lenders who



have not actively communicated to borrowers on the availability of forgiveness, focusing primarily on those lenders who are not participating in Direct Forgiveness. While the intent of the message may be to simply encourage those “select lenders” to move PPP forgiveness applications faster, we assure you our member banks are pulling out all the stops in this process and are committed to achieving forgiveness for all eligible borrowers as quickly as possible.

We were pleased to see the SBA later clarify in an email to the *American Banker*, “the agency would neither require lenders to participate in the direct forgiveness platform nor audit those that opt out,” however, in the future, it may be in the interest of all parties to indicate many lenders that have chosen not to opt into the direct portal did so intentionally – with express purpose of continuing to meet borrowers’ needs – and are processing loans diligently and effectively.

Through the process of the PPP, the nation’s leading banks, in partnership with the SBA, were able to administer more than 4 million loans worth more than \$400 billion – over half the total dollar amount lent through the program – helping drive our economic recovery forward and ensure small businesses could keep their doors open, their lights on, and employees on the payroll. We thank the SBA for its leadership and we look forward to continuing to work with you to ensure the best possible outcome for the country’s small businesses.

Sincerely,

A handwritten signature in black ink that reads "Richard Hunt". The signature is written in a cursive, flowing style.

Richard Hunt
President and CEO

CC:

Members of the U.S. House of Representatives Committee on Small Business
Members of the U.S. Senate Committee on Small Business and Entrepreneurship