

July 9, 2020

The Honorable Marco Rubio
Chairman
Committee on Small Business &
Entrepreneurship
U.S. Senate
428A Russell Senate Office Building
Washington, D.C. 20510

The Honorable Nydia M. Velázquez
Chairwoman
Committee on Small Business
U.S. House of Representatives
2302 Rayburn House Office Building
Washington, D.C. 20515

The Honorable Ben Cardin
Ranking Member
Committee on Small Business &
Entrepreneurship
U.S. Senate
428A Russell Senate Office Building
Washington, D.C. 20510

The Honorable Steve Chabot
Ranking Member
Committee on Small Business
U.S. House of Representatives
2371 Rayburn House Office Building
Washington, D.C. 20515

Dear Chairman Rubio, Chairwoman Velázquez, and Ranking Members Cardin and Chabot:

The undersigned trade associations representing thousands of small businesses, banks, credit unions, financial institutions, and employees strongly support S. 4117, “The Paycheck Protection Program Small Business Forgiveness Act”, sponsored by Senators Kevin Cramer, Bob Menendez, Thom Tillis and Kyrsten Sinema. The Paycheck Protection Program (PPP), established by Congress in the Coronavirus Aid, Relief, and Economic Security (CARES) Act, has provided millions of small businesses the economic relief they need to meet the challenges posed by the COVID-19 crisis. This bipartisan legislation would ensure our nation’s small business owners 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.

In order to help our nation’s smallest businesses, we urge Congress to quickly pass this 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 86 percent of total PPP recipients, but less than 27 percent of PPP loan dollars. Expediting the loan forgiveness process for many of these hard-hit businesses will save more than \$7 billion dollars 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.¹ AQN anticipates the

¹Ben 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>

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 percent of loans, this estimate would represent 10-20 percent 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.

Small businesses and their employees are the backbone of our nation's economy and communities. Their time and resources would be better focused on getting the economy safely back up and running, not processing burdensome paperwork. We strongly support S. 4117 and look forward to working with you, the Committee, and the 116th Congress to pass this bill and have it signed into law. Thank you for your strong, common sense leadership on such a critical issue.

Sincerely,

Aeronautical Repair Station Association
Agricultural Retailers Association
AICC, The Independent Packaging Association
Air Conditioning Contractors of America
American Bankers Association
American Dental Association
American Farm Bureau Federation
American Financial Services Association
American Foundry Society
American Hotel & Lodging Association
American Land Title Association
American Road & Transportation Builders Association
American Society of Media Photographers
American Staffing Association
Asian American Hotel Owners Association
Associated Equipment Distributors
Associated General Contractors of America
Associated Industries of Massachusetts
Associated Wire Rope Fabricators
Association of Kentucky Fried Chicken Franchisees
Association of Small Business Development Centers
Association for Enterprise Opportunity
Auto Care Association
Bank Policy Institute
Brick Industry Association

Building Owners and Managers Association (BOMA)
California Association of Breakfast & Boutique Inns
California Association for Micro Enterprise Opportunity
California Hotel & Lodging Association
CAMEO - California Association for Micro Enterprise Opportunity
Commercial Food Equipment Service Association Inc (CFESA)
Community Development Bankers Association
Consumer Bankers Association
Credit Union National Association
Decorative Hardwoods Association
Electronics Representatives Association
Electronic Transactions Association
Financial Innovation Now (FIN)
Financial Services Forum
Foodservice Equipment Distributors Association (FEDA)
Global Cold Chain Alliance
GovEvolve
Golf Course Superintendents Association of America
Hispanic Metropolitan Chamber
Home Furnishings Association
Hotel Association of Los Angeles
HUBZone Contractors National Council
Impact Hub Houston
Inclusiv
Independent Community Bankers of America
Independent Cosmetic Manufacturers and Distributors (ICMAD)
Independent Electrical Contractors
Independent Insurance Agents & Brokers of America
Independent Lubricant Manufacturers Association
Independent Office Products & Furniture Dealers Alliance
Innovate Coalition
Innovative Lending Platform Association
International Franchise Association
International Sign Association
Leading Builders of America
Kansas Global Trade Services, Inc.
Long Beach Hospitality Alliance
MarketPlace Lending Association
Mid-Size Bank Coalition of America
Manufacturer & Business Association
Manufactured Housing Institute
Modular Building Institute
Motor & Equipment Manufacturers Association (MEMA)

North American Association of Food Equipment Manufacturers (NAFEM)
National ACE
National Association of Chemical Distributors
National Association of Home Builders
National Association of REALTORS®
National Association of Federally-Insured Credit Unions
National Association of Professional Employer Organizations
National Association of Professional Insurance Agents
National Association of the Remodeling Industry
National Association for the Self-Employed
National Association of Surety Bond Producers
National Association for Surface Finishing
National Association of Trailer Manufacturers
National Automatic Merchandising Association (NAMA)
National Bankers Association
National Beer Wholesalers Association
National Center for American Indian Enterprise Development
National Community Pharmacists Association
National Cotton Council
National Electrical Contractors Association
National Electrical Manufacturers Representatives Association (NEMRA)
National Independent Automobile Dealers Association
National Limousine Association
National Marine Distributors Association
National Mining Association
National Office Products Alliance
National Restaurant Association
National Retail Federation
National RV Dealers Assn (RVDA)
National Wooden Pallet and Container Association
North American Association of Food Equipment Manufacturers
North Carolina Bankers Association
Office Furniture Dealers Alliance
Opportunity Finance Network
Outdoor Power Equipment and Engine Service Association
Page 30 Coalition
Painting Contractors Association
Partners for Rural Transformation
Pet Industry Distributors Association
Petroleum Marketers Association of America (PMAA)
Professional Beauty Association (PBA)
Promotional Products Association International (PPAI)
Prosperity Now

Secondary Materials and Recycled Textiles Assoc. (SMART)
Security Industry Association
Service Station Dealers of America and Allied Trades (SSDA-AT)
Small Business Council of America (SBCA)
Small Business Legislative Council (SBLC)
Small Business Investor Alliance
Small Business Majority
Small Business Roundtable
Society of Collision Repair Specialists (SCRS)
Southwest Cable Communications Association
Specialty Equipment Market Association
Specialty Tools & Fasteners Distributors Association (STAFDA)
Texas Bankers Association
The Latino Coalition (TLC)
The Society of American Florists
The Transportation Alliance
The Water Quality Association
Tire Industry Association
United Veterinary Services Association (UVSA)
U.S. Asian Pacific American Chamber of Commerce and Entrepreneurship
U.S. Black Chambers
U.S. Chamber of Commerce
U.S. Hispanic Chamber of Commerce
Virginia Asian Chamber of Commerce
Virginia Bankers Association
Virginia Small Business Partnership
Washington Retail Association
Wine & Spirits Wholesalers Association
Women Impacting Public Policy (WIPP)
World Floor Covering Association
Young Audiences Arts for Learning