

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.<sup>1</sup> AQN anticipates the

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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>

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 116<sup>th</sup> 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  
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