



July 23, 2020

The Honorable Nancy Pelosi
Speaker
United States House of Representatives
H-232, The Capitol
Washington, D.C. 20515

The Honorable Mitch McConnell
Majority Leader
United States Senate
S-230, The Capitol
Washington, D.C. 20510

The Honorable Kevin McCarthy
Minority Leader
United States House of Representatives
H-204, The Capitol
Washington, D.C. 20515

The Honorable Chuck Schumer
Minority Leader
United States Senate
S-221, The Capitol
Washington, D.C. 20510

RE: Inclusion of S. 4117: Paycheck Protection Small Business Forgiveness Act in the Next Relief Package

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

As a representative of America's 30 million small businesses, Small Business Majority writes today to encourage you to include S. 4117, the Paycheck Protection Small Business Forgiveness Act, as part of the next relief package. Small Business Majority is a national small business advocacy organization, founded and run by small business owners to ensure America's entrepreneurs are a key part of a thriving and inclusive economy. With a network of more than 65,000 small businesses, we are actively engaging small business owners and policymakers in support of long- and short-term policies that will lead to a healthy recovery in the wake of COVID-19.

S. 4117 would provide automatic forgiveness for Paycheck Protection Program (PPP) loans under \$150,000, while also ensuring fraud protections are in place. Loans under \$150,000 represent only 26% of the PPP funds disbursed, and the overwhelming majority of these loans likely went to the most vulnerable, COVID-19 impacted businesses. For millions of small and micro-business owners, incurring additional debt, especially during a down cycle, could sink their business. By forgiving the smallest loans, Congress and the Administration will be taking an important step toward helping America's small businesses recover.

With COVID-19 cases increasing in many states and consumer confidence down, millions of small businesses continue to struggle to stay afloat. While many have received PPP loans to support them during this difficult time, we have heard time and again that the program's loan forgiveness guidelines are confusing and unworkable. Lenders and borrowers alike have found it difficult to keep up with the changes to the program. In fact, in our recent polling, 80% of small business owners who received a loan reported being concerned about the loan forgiveness rules and worry about having their loan forgiven.

While automatically forgiving the smallest PPP loans is essential to small business recovery, it should not detract from transparency of the program. We have witnessed firsthand that PPP has favored the most well-heeled and well-connected companies; however, there are serious gaps in data about how PPP has served women and minority-owned businesses. As the largest stimulus program in our nation's history, it's critical to understand how PPP has been distributed to the most vulnerable businesses.

S. 4117 makes a concerted effort to rectify these holes by collecting demographic data through a voluntary form. Many women- and minority-owned businesses have been shut out of PPP, and a large portion of the ones that did receive it already face significant barriers that their white, male counterparts do not, making loan forgiveness and accountability that much more important.

Since the beginning of the pandemic, Small Business Majority has advocated for unrestricted grant assistance to small businesses and critical reforms to PPP to make the program workable for small businesses that are struggling to keep their doors open. S. 4117 would ease concerns and help small businesses recover by ensuring they can focus on their business and their employees, instead of navigating a complicated forgiveness process.

We support any legislation that will help alleviate the pain of small business owners during this incredibly difficult time and this legislation will do just that.

Sincerely,

A handwritten signature in cursive script that reads "John C. Arensmeyer".

John Arensmeyer, Founder and CEO

CC:

Jovita Carranza, Administrator of the U.S. Small Business Administration (SBA)

Steven Mnuchin, United States Secretary of Treasury