September 18, 2020

Re: SBA PPP Loan Forgiveness for Loans under $150,000

Dear Congressman/Senator __________: 

The undersigned organizations, representing small businesses throughout the Commonwealth that benefitted from the Paycheck Protection Program (PPP), write to express our strong support for legislative proposals to make the PPP loan forgiveness process simpler and less technical.

The nearly 5 million small businesses nationwide that participated in the PPP have been significantly harmed this year and face continued risk because of the ongoing COVID-19 pandemic. While the PPP was incredibly helpful when businesses needed it most, as small business continue to recover, having to complete a complicated forgiveness process will discourage many from applying and could place them in the position of taking on further debt simply because the forgiveness process was needlessly complex.

While we support congressional efforts and ongoing negotiations to assist all Americans, we do not believe small businesses should be entangled in the differences over a larger COVID relief package. We urge you to work expeditiously and in a bipartisan manner to ensure that well-meaning businesses will not be harmed due to an overly-complicated Small Business Administration (SBA) process on PPP loan forgiveness.

Lawmakers have introduced several legislative proposals to make the forgiveness process easier for small business borrowers. For example, proposals offered by Senate Small Business Committee Chairman Marco Rubio as part of S. 4321; S. 4117, The Paycheck Protection Program Small Business Forgiveness Act, sponsored by Senators Kevin Cramer, Bob Menendez, Thom Tillis and Kyrsten Sinema; and the House companion, H.R. 7777, sponsored by Representatives Chrissy Houlahan and Fred Upton (and co-sponsored by PA Reps. Dwight Evans and Brian Fitzpatrick).

If S. 4117 or H.R. 7777 were enacted, these proposals would forgive PPP loans of less than $150,000 upon the borrower’s completion of a simple, one-page forgiveness document. Simplifying the forgiveness application process for the smallest borrowers will provide additional relief to these businesses by eliminating the existing requirement to spend several hours dealing with onerous paperwork or expending precious dollars on consultants in order to comply with the existing PPP loan forgiveness forms. According to the SBA’s data, PPP loans of $150,000 and under account for approximately 85 percent of total recipients, but less than 26 percent of loan dollars.

This simplified forgiveness process for all loans of $150,000 and under will also relieve SBA from an enormous administrative burden created by millions of requests for forgiveness. As the country continues to struggle with the economic consequences of the COVID-19 pandemic, S.4117 or H.R. 7777, or a similar proposal, will allow SBA to direct its limited resources to help our nation’s small businesses.

Helping small businesses throughout the pandemic has consistently been bipartisan. We strongly urge members of the Senate and House to continue these bipartisan efforts by quickly supporting PPP forgiveness proposals to provide relief to millions of small businesses.

Sincerely,

CrossState Credit Union Association
NFIB-PA
Pennsylvania Association of Community Bankers
Pennsylvania Bankers Association
Pennsylvania Chamber of Business and Industry
Pennsylvania Farm Bureau
Pennsylvania Food Merchants Association
Pennsylvania Institute of CPAs
Pennsylvania Restaurant & Lodging Association