September 18, 2020

The Honorable Steven Mnuchin
Secretary
U.S. Treasury
1500 Pennsylvania Avenue, N.W.
Washington, D.C. 20220

The Honorable Jovita Carranza
Administrator
U.S. Small Business Administration
409 3rd Street, S.W.
Washington, D.C. 20416

Dear Secretary Mnuchin and Administrator Carranza:

Thank you for your leadership in helping guide the country and our nation’s small businesses through one of the most challenging economic periods in the history of this nation. Your steadfast leadership in working with Congress to ensure that millions of small businesses were open and able to maintain payroll through the Paycheck Protection Program (PPP) helped save millions of jobs. The banking industry was pleased to work in partnership with the public sector to ensure that PPP was properly administered and that small businesses in communities across the country could receive the funding they needed.

As small businesses move to the next phase of reopening and normalizing business operations, it is important that we not hinder their ability to get to the new normal and not unintentionally saddle them with unexpected debt. In congressional testimony, you have indicated that the PPP loans were intended to be grants and that these loans should be forgiven. To date, millions of small businesses have not submitted paperwork to seek forgiveness because the process remains too burdensome, particularly for small businesses with limited resources, few personnel, and lack of time to devote the many hours required to complete these forms. If these businesses fail to submit the proper paperwork due to this complexity and time burden, these grants will become loans, undoing the economic promise of PPP.

Borrowers and lenders have done well in working through this unprecedented program, with its rolling guidance and evolving requirements. The major issue still outstanding is the overly complex forgiveness process. We strongly believe that congressional proposals, such as the bipartisan S. 4117, the Paycheck Protection Small Business Forgiveness Act and its House companion, H.R. 7777, which provide for a streamlined application for loans up to $150,000 based on a single-paged attestation form, provide some direction on how to expedite the forgiveness process. With negotiations on a comprehensive COVID-19 relief package stalled, and with the clock ticking before Congress adjourns for an extended period, we urge you to take immediate administrative action on this issue.
A straightforward forgiveness process will help over four million small businesses and could enhance the program’s already substantial economic impact. Importantly, the Treasury and the SBA have within their authority the ability to create a streamlined, simple one-page attestation process for loan forgiveness. As you continue to fine-tune the forgiveness application intake system, we urge quick action to establish such a simplified application process.

You both have stated on multiple occasions that the goal of the PPP is for these loans to be forgiven. On behalf of our member banks and their millions of small business customers, we urge you to meet that goal and improve the loan forgiveness process for participating small businesses across the country.

Sincerely,

American Bankers Association
Alabama Bankers Association
Alaska Bankers Association
Arizona Bankers Association
Arkansas Bankers Association
California Bankers Association
Colorado Bankers Association
Connecticut Bankers Association
Delaware Bankers Association
Florida Bankers Association
Georgia Bankers Association
Hawaii Bankers Association
Idaho Bankers Association
Illinois Bankers Association
Indiana Bankers Association
Iowa Bankers Association
Kansas Bankers Association
Kentucky Bankers Association
Louisiana Bankers Association
Maine Bankers Association
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Minnesota Bankers Association
Mississippi Bankers Association
Missouri Bankers Association
Montana Bankers Association
Nebraska Bankers Association
Nevada Bankers Association
New Hampshire Bankers Association
New Jersey Bankers Association
New Mexico Bankers Association
New York Bankers Association
North Carolina Bankers Association
North Dakota Bankers Association
Ohio Bankers League
Oklahoma Bankers Association
Oregon Bankers Association
Pennsylvania Bankers Association
Puerto Rico Bankers Association
Rhode Island Bankers Association
South Carolina Bankers Association
South Dakota Bankers Association
Tennessee Bankers Association
Texas Bankers Association
Utah Bankers Association
Vermont Bankers Association
Virginia Bankers Association
Washington Bankers Association
West Virginia Bankers Association
Wisconsin Bankers Association
Wyoming Bankers Association