

June 2, 2020

The Honorable Mitch McConnell  
Senate Majority Leader  
317 Russell Senate Office Building  
Washington, DC 20510

The Honorable Chuck Schumer  
Senate Minority Leader  
322 Hart Senate Office Building  
Washington, DC 20510

Dear Senators McConnell and Schumer,

The Paycheck Protection Program (PPP) has been a lifeline to American small businesses trying to do right by their workers and keep their dreams and companies afloat. As a coalition of associations representing many of these small businesses, we have come together to ensure that the PPP keeps the promises that were initially made, and stays robust and fully funded. We therefore welcome and support efforts like S. 3833 – the Paycheck Protection Program Extension Act. This legislation grants small business owners critically needed flexibility for the PPP by extending the program duration, forgiveness period, and re-hire deadline of the PPP.

Our member businesses, and thousands of small businesses like them, are relying on the PPP to keep their companies running and make their payroll on time. Employees of these businesses are also relying on these funds, often for their literal survival. The PPP has successfully delivered financial assistance to over four million small businesses. According to the NFIB Research Center, 80 percent of small business owners applied for a PPP loan and 90 percent of applicants have received funding.

Loan forgiveness in part requires a small business to spend the loan in the 8-week period that begins as soon as funding is deposited. As a result, nearly half (46 percent) of small business owners report difficulty in spending the PPP funds in the 8-week period. Other difficulties have resulted from local and state government shutdown orders lasting beyond initial expectations when the CARES Act was enacted on March 27, 2020. These shut-down orders made re-opening small businesses and re-hiring employees very difficult. Therefore, we see a pressing need for more flexibility if the PPP is to be successful in alleviating the financial burden of COVID-19 on American small businesses.

The Paycheck Protection Program Extension Act increases flexibility to improve the PPP. We support extending the PPP program duration until December 31, 2020 and extending the PPP forgiveness period and re-hire deadlines beyond 8 weeks. Together, these changes will improve the utility of the program.

As a coalition, we still see a critical need for other adjustments:

- Allow businesses to deduct expenses paid with proceeds of forgivable PPP loans.
- Lift the SBA's 75-25 rule which caps non-payroll costs associated with PPP loans at 25% of total forgivable expenses.
- Expand the list of forgivable non-payroll costs to include additional types of expenses, such as technology and software licensing costs related to the digital operations of a small business.

We urge you to support S. 3833 – the Paycheck Protection Program Extension Act. We further urge Congress to make a serious, apolitical, and bipartisan effort to replenish the PPP's funding and repair existing issues within the program like the ones we suggest that go beyond S. 3833 as currently drafted. The people of the United States are in a place of unprecedented economic distress. Congress needs to do right by the people of this country, by business owners and by workers who are struggling through no fault of their own.

