

# United States Senate

WASHINGTON, DC 20510

June 12, 2020

The Honorable Steven Mnuchin  
Secretary of the Treasury  
U.S. Department of the Treasury  
1500 Pennsylvania Avenue NW  
Washington, D.C. 20220

The Honorable Jovita Carranza  
Administrator  
U.S. Small Business Administration  
409 3<sup>rd</sup> Street SW  
Washington, D.C. 20416

Dear Secretary Mnuchin and Administrator Carranza:

The Paycheck Protection Program (PPP) represents the largest small business relief effort in our nation's history. We were pleased to have passed into law the *Paycheck Protection Program Flexibility Act*, which builds upon and improves this vital program. While these fixes are an important step forward in making PPP work better for small businesses and nonprofits, much work remains to see the program work more efficiently and fairly, particularly for small dollar borrowers. As the program enters its next phase and borrowers begin to seek forgiveness of their loans, there is an immediate need for significant improvements to the forgiveness application process, which is tremendously cumbersome and overly complex, especially for very small businesses, sole proprietors, and underserved borrowers.

We appreciate your acknowledgment in the recent Senate Small Business Committee hearing that the Administration will be updating the forgiveness form to reflect the critical changes required by the recently passed bill, and that this rewrite is an opportunity to improve the forgiveness process. We want to encourage the Small Business Administration and the Department of Treasury to significantly streamline and simplify the forgiveness process to ensure the smallest and most underserved businesses are able to fully take advantage of the program without having to make inordinate investments of time or limited resources.

Since the release of the forgiveness form and instructions a few weeks ago, we have heard significant concerns from small businesses and lenders alike about the complexity of the process especially for the smallest businesses. The 11-page form that must be completed to secure forgiveness is especially burdensome, time-consuming, and costly for very small and underserved businesses, including microbusinesses, sole proprietorships, rural, and minority-owned small businesses. We are especially concerned that so many of these very small and underserved businesses will feel compelled to hire accountants and attorneys to complete the forgiveness form in a manner that provides comfort that the loans will be forgiven. This is not just an issue for existing borrowers. It contributes to already existing barriers to entry for new borrowers. For example, recent survey data indicated that close to a fifth of minority business owners did not even try to apply for assistance from programs like PPP that they could have greatly benefited from because they saw the application process to be too difficult and long.<sup>1</sup> The lengthy and complicated forgiveness form only adds to the already significant hurdles for inclusion of all small businesses in the program.

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<sup>1</sup> "Federal Stimulus Survey Findings," Prepared by Global Strategy Group for Color of Change and UnidosUS, <https://theblackresponse.org/wp-content/uploads/2020/05/COC-UnidosUS-Abbreviated-Deck-F05.13.20.pdf>

While we understand clearly the need to uphold accountability and ensure taxpayer money is properly spent, this process should not be so complex so as to require already struggling small businesses to spend significant resources on services to complete a government form or worry that if they do not, their application will be rejected. To avoid the chaos that borrowers and lenders experienced in the early weeks of this program, we request that the Administration consider streamlining the forgiveness application, especially for smaller loans, and provide adequate resources to ensure a smooth and reliable process that small businesses and nonprofits can have faith in. We also request that before the Administration releases a final, updated form that you engage directly with Congress for input to ensure the form upholds Congressional intent within the *CARES Act* and follows through on the requests within this letter.

To achieve these results, we request the Administration consider the following:

- Create a process for streamlined forgiveness for low-dollar loan amounts. This should include an easy-to-use form that requires a simple attestation on fund use and minimal documentation. This would significantly reduce burdens and provide as much flexibility as possible for very small businesses seeking to access forgiveness.
- Issue guidance providing lenders with some form of reasonable safe harbor protection when certifications are made by borrowers in the forgiveness process for low-dollar loan amounts.
- Develop a comprehensive suite of approved online tools and resources to help small businesses and nonprofits navigate the forgiveness process, including “how to” videos, online reporting calculators that have the validation of the government, and easy-to-use materials to empower resource partners like the Small Business Development Centers, Women’s Business Centers, and Minority Business Development Agency’s Business Centers in assisting with the completion of the forgiveness form.
- Stand up a well-staffed help line for borrowers or lenders to easily reach someone to talk through any challenges they encounter with the forgiveness forms or process.

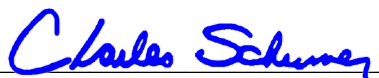
The need for the Administration to update and revise the forgiveness form to reflect the changes included in the recently passed bill and create a more simplified process also presents an opportunity to collect additional information from program participants that complete the forgiveness process. We were pleased that the initial form includes an option for applicants to provide demographic data, for example. An updated, streamlined forgiveness form should continue to collect this information, ideally including a demographic reporting section on the first page to ensure as much information as possible is gathered to provide much more clarity on whether PPP assistance has reached communities of color.

In this public health and economic emergency, we must do all we can to make sure our small businesses have the support and assistance they need to weather the crisis. Small businesses should not need to spend precious resources on an accountant or attorneys to finalize their forgiveness application. The government should simplify the process such that these experts are not necessary or assist in providing this much-needed support. That must be especially the case for our very small and underserved businesses, including in communities of color, that

oftentimes lack the resources of other businesses and in many cases, have faced long-standing economic and process fairness challenges even before COVID-19. We have a chance to improve the PPP forgiveness process now for these small businesses to ensure the program works as intended.

We appreciate your immediate attention to this request and thank you for your continued work to mitigate the impact that this public health crisis is having on the backbone of our economy, our American small businesses.

Sincerely,



Charles E. Schumer  
United States Senator



Benjamin L. Cardin  
United States Senator



Sherrod Brown  
United States Senator



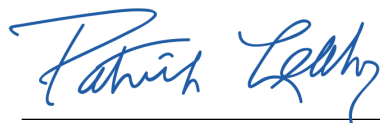
Jeanne Shaheen  
United States Senator



Tammy Duckworth  
United States Senator



Edward J. Markey  
United States Senator




Patrick Leahy  
United States Senator



Richard J. Durbin  
United States Senator




Mazie K. Hirono  
United States Senator



Doug Jones  
United States Senator



Jacky Rosen  
United States Senator



Brian Schatz  
United States Senator



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Sheldon Whitehouse  
United States Senator



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Michael F. Bennet  
United States Senator



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Christopher A. Coons  
United States Senator



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Patty Murray  
United States Senator

/s/ Chris Van Hollen

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Chris Van Hollen  
United States Senator



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Kirsten Gillibrand  
United States Senator

/s/ Martin Heinrich

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Martin Heinrich  
United States Senator



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Bernard Sanders  
United States Senator



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Debbie Stabenow  
United States Senator

/s/ Robert P. Casey, Jr.

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Robert P. Casey, Jr.  
United States Senator



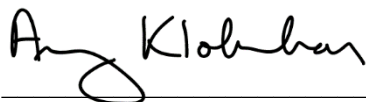
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Tammy Baldwin  
United States Senator



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Margaret Wood Hassan  
United States Senator



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Amy Klobuchar  
United States Senator

/s/ Jack Reed

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Jack Reed  
United States Senator



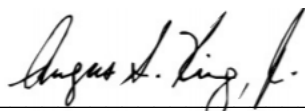
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Christopher S. Murphy  
United States Senator



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Tim Kaine  
United States Senator



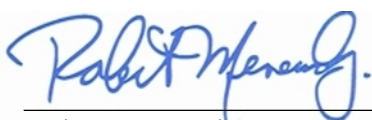
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Angus S. King, Jr.  
United States Senator



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Tom Udall  
United States Senator



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Robert Menendez  
United States Senator



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Gary C. Peters  
United States Senator



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Catherine Cortez Masto  
United States Senator



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Cory A. Booker  
United States Senator



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Thomas R. Carper  
United States Senator



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Maria Cantwell  
United States Senator



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Ron Wyden  
United States Senator



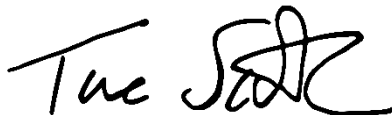
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Elizabeth Warren  
United States Senator



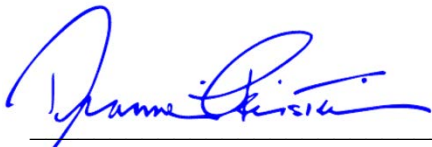
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Richard Blumenthal  
United States Senator



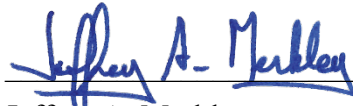
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Tina Smith  
United States Senator



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Dianne Feinstein  
United States Senator



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Jeffrey A. Merkley  
United States Senator



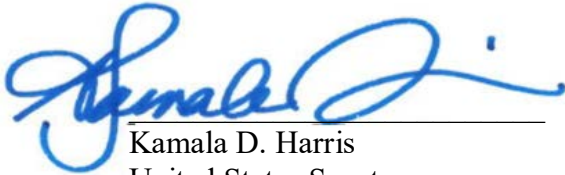
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Jon Tester  
United States Senator



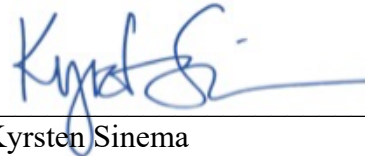
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Mark R. Warner  
United States Senator



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Kamala D. Harris  
United States Senator



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Kyrsten Sinema  
United States Senator



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Joe Manchin III  
United States Senator