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September 24, 2020

The Honorable Jaime Herrera Beutler
U.S. House of Representatives
2352 Rayburn House Office Building
Washington, D.C. 20515

Dear Congresswoman Herrera Beutler:

On behalf of NFIB, the nation's leading small business advocacy organization, I write in strong support the formal resolution to allow for expedited floor consideration of H.R. 8265, a bill to allow for second draw Paycheck Protection Program (PPP) loans, expand loan uses, and simplify the loan forgiveness application process. This legislation would provide necessary and targeted financial assistance to small businesses to keep workers employed and keep their doors open during this ongoing public health crisis.

The PPP has been a vital financial assistance tool to over 5.2 million small businesses, helping these businesses maintain employees and assisting with expenses such as rent, utilities, and mortgage interest.¹ Unfortunately, the negative economic consequences of COVID-19 on small businesses have lasted longer than Congress anticipated when the *Coronavirus Aid, Relief, and Economic Security (CARES) Act* was enacted in late March.

With the interruption of state reopening plans and the realization that lower than average sales are likely for months to come, many small business owners need additional financial assistance to ensure their businesses survive this public health and economic crisis. According to a recent NFIB survey, nearly half (49%) of small business owners are currently impacted by a postponement or reversal of state or local reopening actions.² Similarly, nearly half (47%) of small business owners who received PPP loan and/or an Economic Injury Disaster Loan (EIDL) anticipate needing additional financial support in the next 12 months.³

NFIB's Phase Four Legislative Priorities recommend additional financial assistance programs for smaller businesses continuing to experience financial hardship.⁴ Recommendations include

¹ *Paycheck Protection Program Report*, Small Business Administration, August 8, 2020, https://www.sba.gov/sites/default/files/2020-08/PPP_Report%20-%202020-08-10-508.pdf.

² *COVID-19 Small Business Survey (10) – PPP, Real Estate, Business Expenses, the Economy*, NFIB Research Center, July 21, 2020, <https://assets.nfib.com/nfibcom/Covid-19-10-Survey.pdf>.

³ *COVID-19 Small Business Survey (11) – PPP, EIDL, Unemployment Insurance, the Economy*, NFIB Research Center, August 18, 2020, <https://assets.nfib.com/nfibcom/Covid-19-11-Questionnaire-and-Write-up-FINAL.pdf>.

⁴ *NFIB Phase Four Legislative Priorities for Small Business Recovery*, July 15, 2020, <https://assets.nfib.com/nfibcom/NFIB-Phase-Four-Legislative-Priorities.pdf>.

allowing small businesses that continue to suffer clear economic losses due to COVID-19 to apply for a second PPP loan and simplifying the PPP forgiveness process by forgiving small business loans up to \$150,000 automatically. H.R. 8265 contains provisions consistent with these recommendations.

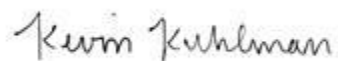
The amendment reallocates the approximately \$138 billion in remaining funds to allow for targeted, second PPP loans for small businesses whose revenues have been reduced by at least 25% relative to last year, setting aside \$25 billion for small businesses with 10 or fewer employees. NFIB supports allowing a small business to receive a second PPP loan. The opportunity for second PPP loans would greatly help small businesses who continue to be negatively impacted by government responses to COVID-19.

Additionally, the amendment expands the definition of PPP eligible expenses to include certain operational expenditures, property damage costs, certain supplier costs, and worker protection expenditures, as well as allows small business borrowers to select an 8-week covered period to utilize their PPP loan funds. NFIB supports expanding eligible expenses to help small businesses cover essential reopening and operational expenses and providing flexibility regarding timing of PPP expenditures.

The amendment also simplifies the PPP loan forgiveness process, allowing small businesses who received a loan of \$150,000 or less to attest to a good faith effort to comply with PPP loan requirements and obtain forgiveness. The PPP has been an essential lending arrangement for small businesses over the past few months, but success of the PPP will be determined ultimately on whether small business owners receive loan forgiveness. NFIB supports providing a more efficient way to demonstrate compliance and receive forgiveness as the vast majority of small business owners have exhausted their PPP funds and are preparing to apply for forgiveness.

NFIB strongly supports the discharge petition for expedited consideration of H.R. 8265 and looks forward to working with you to advance this legislation before Congress departs for the November election.

Sincerely,

A handwritten signature in cursive script that reads "Kevin Kuhlman".

Kevin Kuhlman
Vice President, Federal Government Relations
NFIB