

05/29/20

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:

We the undersigned associations are writing on behalf of each of our members in Ohio to express our concerns that the process associated with the Paycheck Protection Program (PPP) Loan Forgiveness application as outlined in the recently released guidance is unnecessarily burdensome on our nation's small businesses. We urge you to consider a streamlined process for small loans.

We are concerned that this process will require even the smallest PPP borrowers to hire outside experts in order to realize the purpose of the program and receive forgiveness of their PPP loan. With the SBA estimating that each loan forgiveness application will take up to three hours to complete, businesses will struggle to complete these applications in a timely manner due to this technical and burdensome process. On behalf of the lenders and business across our state, we urge you to consider a more streamlined process.

Small businesses such as restaurants and independent retailers borrowing \$350,000 or less via the PPP should be deemed forgiven so long as they can certify that the funds were used in accordance with the CARES Act and they will maintain documents to establish the same for a stated period of time under which they are subject to a possible, random audit by the SBA. This would be consistent with the purpose and public policy behind the CARES Act and would relieve small businesses and small lenders from a costly administrative burden during this crisis.

Specifically, we respectfully recommend that Treasury and SBA create a streamlined forgiveness application for loans under \$350,000. This is the threshold at which the CARES Act makes the lowest cutoff in determining lender processing fees and captures the vast majority of loans provided to small businesses. Much like the IRS relies on Form 1040 EZ for taxpayers with relatively straightforward tax filings, Treasury and the SBA should create a streamlined forgiveness application for small business loans below the dollar threshold. The application could consist of basic reporting by small businesses detailing the funding they received and a good faith certification that they spent the funds in compliance with the requirements for forgiveness.

Treasury has already pledged to fully audit loans in excess of \$2 million. This request would not preclude Treasury and SBA from conducting necessary oversight, or otherwise auditing any loan. A streamlined forgiveness application would ease the burden on both borrowers and lenders of smaller PPP loans, consistent with congressional intent, while allowing Treasury and the SBA to focus its valuable resources on the program's higher risk and larger dollar loans.

Thank you again for your leadership and support throughout this health crisis. We sincerely appreciate your consideration in a streamlined forgiveness process to alleviate burdens on small businesses.

Respectfully,

Cincinnati USA Regional Chamber

Columbus Chamber

Greater Akron Chamber

Ohio Bankers League

Ohio Chamber of Commerce

Ohio Council of Retail Merchants

Ohio Credit Union League

Ohio Manufacturers' Association

Ohio Realtors Association

Ohio Restaurant Association

Ohio Society of CPAs

Toledo Regional Chamber of Commerce

Youngstown Warren Regional Chamber

CC: Senator Sherrod Brown

Senator Rob Portman

Congressman Troy Balderson

Congresswoman Joyce Beatty

Congressman Steve Chabot

Congressman Warren Davidson

Congresswoman Marcia Fudge

Congressman Bob Gibbs

Congressman Anthony Gonzalez

Congressman Bill Johnson

Congressman Jim Jordan

Congressman Dave Joyce

Congresswoman Marcy Kaptur

Congressman Bob Latta

Congressman Tim Ryan

Congressman Steve Stivers

Congressman Mike Turner

Congressman Brad Wenstrup