November 2, 2020

The Honorable Steven Mnuchin The Honorable Jovita Carranza

Secretary Administrator

United States Department of Treasury U.S. Small Business Administration

1500 Pennsylvania Avenue, NW 409 3rd Street, SW

Washington, DC 20220 Washington, DC 20416

Dear Secretary Mnuchin and Administrator Carranza:

I am the [OWNER/CEO/PRESIDENT] of [BUSINESS] located in [CITY, STATE]. We applied for, and received, a Paycheck Protection Program (PPP) loan through our bank. This loan was critical to our business, allowing us to [adapt our processes to continue to operate during the pandemic] [continue operating with diminished capacity] [pay our bills during closure while we prepared to re-open according to state law restrictions] and most importantly, to keep [XX] employees safe and employed. We appreciate your leadership in quickly providing necessary relief to small businesses during this very challenging year.

We have seen and reviewed Form 3509, which was released on Monday, October 26. This form causes us significant concern, as it does not include an opportunity to tell the story of what has happened in our business during the period from March through now, nor the very real concerns that our business faces in 2021. Macroeconomic factors such as prolonged unemployment, a volatile political climate, and an ongoing pandemic produce an environment of uncertainty. The most challenging thing for any business owner to navigate is uncertainty.

The SBA website describes the PPP as follows:

“The Paycheck Protection Program is a loan designed to provide a direct incentive for small businesses to keep their workers on the payroll. SBA will forgive loans if all employee retention criteria are met, and the funds are used for eligible expenses.”

Form 3509 does not address several key factors. For example, a Borrower’s gross revenue does not necessarily reflect cash collections. Cash on hand on any specific date does not consider timing issues, deferred expenses, nor business seasonality. Most importantly, the form does not provide an opportunity to describe what would have happened in our business if we had not received the PPP loan. We met the criteria of the program to retain our employees and used the funds for eligible expenses. Now, we are faced with additional questions that appear to retroactively alter those criteria, but we cannot retroactively alter the decisions that we already made.

The CARES ACT and the PPP were launched by the SBA and Treasury very quickly to aid businesses in need. It is understandable that the speed of the legislation caused a need for significant clarifications over time. We have read everything possible on the topic. We have navigated the flood of interim final rules and frequently asked questions. We have sought professional advice. We believe that we have done everything possible to comply with the intent of the law.

We are one of almost 5 million small businesses that participated in the PPP. Our business was significantly impacted in 2020 and we face continued risk because of the ongoing COVID-19 pandemic. We understand and support the government’s need to create accountability and to ensure that PPP funds were spent in accordance with the program guidelines.

We write today to express our concern that Form 3509 does not allow us to adequately represent the circumstances under which we applied for, used, or relied upon the PPP loan. A potentially prolonged audit process and the ongoing uncertainty of loan forgiveness puts us in a very difficult place. We cannot make informed decisions about our future. In the interest of ensuring America’s small businesses can quickly and successfully apply for relief under this new program, we urge the Treasury Department and the SBA to modify Form 3509 to include additional information describing the borrower’s good-faith certifications of economic need.

We thank you for your leadership, and urge you to promptly release additional guidance so that we might share [BUSINESS NAME]’s story of perseverance with the SBA. We appreciate your consideration of this request for America’s small businesses.

Sincerely,

[NAME]

[TITLE]

[BUSINESS]

cc: The Honorable Marco Rubio, Chairman, Senate Small Business Committee

cc: The Honorable Ben Cardin, Ranking Member, Small Business Committee

cc: The Honorable Nydia Velázquez, Chairwoman, House Small Business Committee

cc: The Honorable Steve Chabot, Ranking Member, House Small Business Committee