



August 31, 2021

The Honorable Nydia M. Velázquez, Chair
U.S. House Committee on Small Business
2361 Rayburn House Office Building
Washington, D.C. 20515

The Honorable Blaine Luetkemeyer, Ranking Member
U.S. House Committee on Small Business
2361 Rayburn House Office Building
Washington, D.C. 20515

Dear Chair Velázquez and Ranking Member Luetkemeyer:

On behalf of the Consumer Bankers Association (“CBA”), I write to share our views on the forgiveness portion of the Paycheck Protection Program (PPP) in advance of the House Committee on Small Business hearing entitled “What Comes Next? PPP Forgiveness.” CBA member banks were 13 of the top 15 PPP lenders in 2020 and led the effort to protect more than 90 million jobs. The products and services offered by our members provide access to credit to millions of consumers and small businesses. Our members operate in all 50 states, serve more than 150 million Americans, and collectively hold two-thirds of the country’s total depository assets.

When COVID-19 hit our communities, millions of small business owners were forced to implement staffing changes or shutter their operations altogether at no fault of their own. Fortunately, through the PPP, the nation’s leading banks were able to administer more than 4 million loans worth more than \$400 billion – over half the total dollar amount lent through the program – helping drive our economic recovery forward and ensure small businesses could keep their doors open, their lights on, and employees on the payroll.

The banking industry partnered with the SBA to stand up and administer the PPP in a very short time by devoting significant resources and allocating employees’ focus from other areas within the bank to prioritize PPP lending and help struggling small businesses at the height of economic uncertainty. Banks reallocated significant internal resources to administer the program. It was an all-hands-on-deck effort, with employees of all levels within the bank, rolling up their sleeves to process loans. Through PPP and the hard work of the banking industry, millions of small businesses and their employees’ jobs were saved, ensuring that hardworking Americans could continue to put food on their tables.

As PPP loans were made to businesses, it became apparent that the forgiveness process was going to become a complicated undertaking for small businesses and lenders. CBA proudly led a coalition of more than 100 trade associations representing businesses and lenders who worked with Congress to pass legislation that would streamline the process for PPP loans of less than \$150,000 upon the borrower’s completion of a simple, one-page document to be forgiven. We thank Congress for passing legislation to simplify the forgiveness process for loans that are \$150,000 or smaller, helping many small businesses refocus on running their businesses and serving their customers.

As with any program of this magnitude, coupled with the change in Administration, issues arose with the forgiveness process that led to confusion and delays. America’s leading banks worked with SBA to resolve these issues. To date, more than 80 percent of PPP loans administered in 2020 have completed the forgiveness process.

What comes next?

As we look forward to 2021, our banks remain fully committed to assisting PPP borrowers seeking forgiveness and utilizing new tools like the COVID Revenue Reduction Score to streamline this process even further. Some participating banks have developed their own streamlined forgiveness portals to provide a “one-stop-shop” for PPP borrowers. These lenders have well-established relationships with their customers and are following the same guidance and forgiveness rules as those banks using the SBA’s direct portal. Regardless of whether a forgiveness application is sent through a lender’s portal or the SBA’s direct portal, lenders are still required to review a submitted forgiveness application before the SBA reviews and issues a forgiveness payment. Customers using a bank portal benefit from the significant technological investments banks have made over the last year to provide a familiar and simplified online platform for borrowers.

Furthermore, CBA applauds the recent change to further simplify and streamline the forgiveness process for Second Draw PPP loans of \$150,000 or less by providing borrowers an optional method to document revenue reduction through the COVID Revenue Reduction Score. As more small businesses who received Second Draw PPP loans look to begin the forgiveness stage, this measure will provide for a less burdensome process – enabling small businesses to focus their time and energy back into their business and communities.

The ever-changing rules and guidance were difficult for both borrowers and lenders, especially at the onset of the program, causing confusion when calculating the qualifying loan amounts. Lenders must follow guidance from the SBA directing lenders on how to resolve excess loan amount issues that arise, regardless of the portal utilized to process the forgiveness application.

Thank you again for your decisive actions and leadership on this topic and we look forward to continuing to work with you to ensure the best possible outcome for consumers and lenders.

Sincerely,



Richard Hunt
President and CEO