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May 21, 2020

The Honorable Marco Rubio
U.S. Senate
284 Russell Senate Office Building
Washington, DC 20510

The Honorable Susan Collins
U.S. Senate
413 Dirksen Senate Office Building
Washington, DC 20510

The Honorable Ben Cardin
U.S. Senate
506 Hart Senate Office Building
Washington, DC 20510

The Honorable Jeanne Shaheen
U.S. Senate
509 Hart Senate Office Building
Washington, DC 20510

Dear Senators Rubio, Collins, Cardin, and Shaheen:

On behalf of NFIB, the nation's leading small business advocacy organization, I write in support of the *Paycheck Protection Program Extension Act*. This legislation grants small business owners critically needed flexibility for the Paycheck Protection Program (PPP) by extending the program duration, forgiveness period, and re-hire deadline of the PPP.

The PPP has successfully delivered financial assistance to over four million small businesses. According to the NFIB Research Center, 80% of small business owners applied for a PPP loan and 90% of applicants have received funding.¹ The main reason for the PPP loan's popularity is the ability of borrowers to have the PPP loans forgiven if the terms and conditions are met. A majority of small business owners (72%) report difficulty in understanding the terms and conditions of the PPP.² One condition of loan forgiveness is spending the loan in the 8-week forgiveness period that begins as soon as funding is deposited. Nearly half (46%) of small business owners report difficulty in spending the PPP funds in the 8-week forgiveness period.³

Local and state government shutdown orders have extended beyond expectations when the CARES Act was enacted on March 27, 2020, making re-opening small businesses and re-hiring employees difficult. Additionally, while small business owners now have an application for loan

¹ Holly Wade, *Covid-19 Small Business Survey*, NFIB Research Center, May 21, 2020, <https://www.nfib.com/assets/Covid-19-6-Write-up-Q.pdf>.

² *Ibid.*

³ *Ibid.*

forgiveness, detailed guidance has yet to be issued. Therefore, additional flexibility for PPP will be necessary for the PPP to be deemed an ultimately successful program.

The *Paycheck Protection Program Extension Act* increases flexibility to improve the PPP. NFIB supports extending the PPP program duration until December 31, 2020 and extending the PPP forgiveness period and re-hire deadlines beyond 8 weeks. Together, these changes will improve the utility of the program. Additional adjustments, such as restoring the deductibility of forgiven expenses and removing the 75% payroll requirement, would further improve the program.

NFIB supports the *Paycheck Protection Program Extension Act* and urges Congress to work together expeditiously to increase the flexibility of the PPP.

Sincerely,

A handwritten signature in dark ink that reads "Kevin Kuhlman". The signature is written in a cursive, slightly slanted style.

Kevin Kuhlman
Vice President, Federal Government Relations
NFIB