June 12, 2020

The Honorable Steven T. Mnuchin  
Secretary  
U.S. Department of the Treasury  
1500 Pennsylvania Avenue, NW  
Washington, D.C. 20220

The Honorable Jovita Carranza  
Administrator  
U.S. Small Business Administration  
409 3rd Street, SW  
Washington, D.C. 20416

Dear Secretary Mnuchin and Administrator Carranza:

The Paycheck Protection Program (PPP) has been critical for helping small businesses remain viable and keeping Americans employed during the COVID-19 pandemic. However, we would like to make you aware of a serious problem with the PPP Loan Forgiveness Application. We have received feedback from a number of businesses and lenders that the forgiveness application is difficult to understand and to complete. We ask that the Department of the Treasury (Treasury) and the Small Business Administration (SBA) urgently revise the application so that it is no longer than one page for any loan under $250,000.

When Congress created the PPP, its purpose was clear: get immediate funding into the hands of small business owners impacted by the COVID-19 pandemic so their employees could stay on the payroll and maintain benefits and so that businesses could resume normal operations as soon as it was safe to do so. Given the innumerable challenges that small business owners face, PPP loans were designed to be forgiven to prevent small business owners from incurring additional debt, provided employees were kept on payroll.

The text of the CARES Act, which was approved unanimously by the Senate, specified three criteria that the PPP forgiveness application was required to include:

1. Documentation verifying the number of full-time employees on payroll and their respective pay rates;
2. Documentation verifying payment of mortgage, lease, and utility payments for which the business owner sought PPP funds; and
3. A certification that the information presented in the forgiveness application is true and correct.
While the Small Business Administrator was also given the ability to require additional documentation necessary to verify proper use of PPP funds, we believe it is beyond the program’s intent to require the information solicited in the 11-page forgiveness application that the SBA recently released. We appreciate the interest in appropriately auditing the use of government money. However, the loan forgiveness application – which understandably needs more information for loans worth significantly more than $250,000 – is three times longer than the original application for the PPP. Many of our constituents and the financial institutions who processed their PPP loan applications have reported that the existing forgiveness application will be difficult to complete and could cost business owners several thousand dollars in professional tax advice.

The Administration’s intentions to scrutinize PPP loans above $2 million is an appropriate oversight of taxpayer resources. Failing to streamline the loan forgiveness application for loans that are worth a mere fraction of that will not only leave millions of small business owners without the relief that they were promised by Congress, but it will also introduce a needless complication to our nation’s economic recovery.

We look forward to continuing to work with you and the Administration in supporting our country’s small businesses and their employees during this difficult time. Thank you for your prompt attention to this matter.

Sincerely,

M. Michael Rounds
United States Senator

Mike Crapo
United States Senator

Thom Tillis
United States Senator

James E. Risch
United States Senator

Steve Daines
United States Senator

James Lankford
United States Senator

Doug Jones
United States Senator

Mike Braun
United States Senator
Lisa Murkowski  
United States Senator

Tina Smith  
United States Senator

Pat Roberts  
United States Senator

Roy Blunt  
United States Senator

Joe Manchin III  
United States Senator

Mitt Romney  
United States Senator

Pat Toomey  
United States Senator

s/ Richard Shelby  
United States Senator