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May 28, 2020

Dear Representative:

On behalf of NFIB, the nation's leading small business advocacy organization, I write in strong support of H.R. 7010, the *Paycheck Protection Program Flexibility Act of 2020*. This legislation grants small business owners urgently needed flexibility for the Paycheck Protection Program (PPP) by extending the forgiveness period and reducing limitations of the program. **H.R. 7010 will be considered an NFIB Key Vote for the 116th Congress.**

The PPP has successfully delivered financial assistance to over 4.4 million small businesses.¹ The main reason for the PPP loan's popularity is the ability of small business borrowers to have the PPP loans forgiven if the terms are met, but a majority of small business owners (72%) report difficulty in understanding the terms of the PPP.² One condition of loan forgiveness is spending the loan in the 8-week forgiveness period that begins when 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 challenging. Additionally, early recipients of the PPP loans are approaching the conclusion of their forgiveness period and they only recently received forgiveness guidance and applications. Therefore, forgiveness flexibility will be necessary for the PPP to be deemed an ultimately successful program.

NFIB supports provisions in the bill that extend the PPP forgiveness period beyond 8 weeks to 24 weeks, extend the program duration from June 30, 2020, to December 31, 2020, and reduce the 75% payroll limitation. Small businesses that participate in the PPP will also be able to defer payroll taxes, which will provide additional cashflow. Finally, this bill improves PPP loan terms for prospective loans by extending the maturity date and deferral period of the loans. Together, these changes will allow more businesses to receive PPP loan forgiveness and have liquidity after the PPP ends.

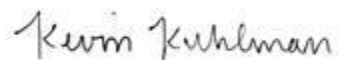
¹ *Paycheck Protection Program (PPP) Report*, Small Business Administration, May 23, 2020, https://www.sba.gov/sites/default/files/2020-05/PPP_200523.pdf.

² 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>.

³ *Ibid.*

NFIB strongly supports the *Paycheck Protection Program Flexibility Act of 2020* and it will be considered an NFIB Key Vote for the 116th Congress.

Sincerely,

A handwritten signature in black ink that reads "Kevin Kuhlman". The signature is written in a cursive style with a clear, legible font.

Kevin Kuhlman
Vice President, Federal Government Relations
NFIB