



Many missions | 100 counties | One voice



August 18, 2020

The Honorable Kevin Cramer
United States Senate
Washington, DC 20510

The Honorable Bob Menendez
United States Senate
Washington, DC 20510

The Honorable Thom Tillis
United States Senate
Washington, DC 20510

The Honorable Kyrsten Sinema
United States Senate
Washington, DC 20510

RE: S. 4117, the Paycheck Protection Small Business Forgiveness Act

Dear Senators Cramer, Menendez, Tillis, and Sinema:

We write to express our appreciation and strong support for your bill, the Paycheck Protection Small Business Forgiveness Act (S. 4117), that would provide automatic forgiveness for Paycheck Protection Program loans of \$150,000 or less upon the borrower's completion of a simple, one-page forgiveness document. Your bill is timely, reasonable, and estimated to save nonprofits, small businesses, and lenders billions in compliance costs that can better be devoted to jobs, missions, and economic growth.

Our organizations represent and work with charitable nonprofits in your states and nationally. We served a vital role in educating the nonprofit community about the availability and processes involved in applying for PPP loans. As a result of those efforts, we are well aware of the many challenges nonprofits faced in securing those loans. Nonprofits that were successful in getting PPP loans had to overcome significant bureaucratic impediments that resulted in a disproportionately low share of eligible organizations participating in the program than Congress intended. While the Small Business Administration's data reportedly contain many errors, the information it released suggests that charitable nonprofits – which collectively employ the nation's third-largest private workforce, with more than 10 percent of jobs – received only 2.7 percent of loans and just 2.4 percent of dollars loaned, resulting in 3.2 percent of all jobs saved.

Having faced a daunting process in securing these loans, charitable organizations are understandably wary of a forgiveness application procedure that could change with little notice, result in increased costs, consume excessive staff time, and be subject to doubt for years to come. Nationally, PPP loans of \$150,000 or less account for 86 percent of all loans to nonprofits and for-profit businesses issued under the program. In our states, that percentage ranges from 85 percent in New Jersey, to 89 percent in North Dakota. Yet, these smaller loans make up only a quarter of the total dollar volume. Your bill would eliminate or greatly reduce unnecessary paperwork and the bureaucratically complex, time-consuming, and costly processes borrowers of smaller sums would have to go through just to find out whether they have to pay back the loans. Importantly, this

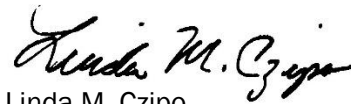
legislation could save small nonprofits, for-profit businesses, and lenders \$8.4 billion in compliance costs.

Charitable nonprofits in our states are dedicated to serving their communities while remaining careful stewards of the resources they have. The organizations that were successful in securing PPP loans were able to use that lifeline to retain or rehire staff in order to advance their missions in our communities. Quite simply, every dollar received from PPP loans was put to work; every dollar diverted to pay for the processing of forgiveness applications is money not spent to support the people in our communities, your constituents. We believe your bill will enable charitable organizations to keep their focus where it is needed most right now, delivering services and helping to restore the economies in our states.

Sincerely,



Kristen Merrifield
Chief Executive Officer
Alliance of Arizona Nonprofits



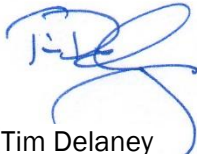
Linda M. Czipo
President & CEO
Center for Non-Profits



Jeanne C. Tedrow
President & CEO
North Carolina Center for Nonprofits



Jennifer Greuel
Executive Director
North Dakota Association of Nonprofit Organizations



Tim Delaney
President & CEO
National Council of Nonprofits