



**August 10, 2020**

**SCWA Signs onto Support letter for, H.R. 7777 -  
"The Paycheck Protection Program Small  
Business Forgiveness Act"**

Dear Speaker Pelosi, Ranking Member McCarthy, Chairwoman Velázquez, and Ranking Member Chabot:

The undersigned trade associations representing thousands of small businesses, banks, credit unions, financial institutions, and employees strongly support H.R. 7777, "The Paycheck Protection Program Small Business Forgiveness Act", sponsored by Representatives Chrissy Houlahan and Fred Upton.

The Paycheck Protection Program (PPP), established by Congress in the Coronavirus Aid, Relief, and Economic Security (CARES) Act, has provided millions of small businesses the economic relief they need to meet the challenges posed by the COVID-19 crisis. This bipartisan legislation would ensure our nation's small business owners can focus their time, energy, and resources back into their business and communities instead of allocating significant time and resources into completing complex forgiveness forms.

Given the dire economic data released late last month and ongoing challenges facing small businesses we urge the House to take up and pass this legislation without delay. This straightforward legislation would forgive all PPP loans of less than \$150,000 upon the borrower's completion of a simple, one-page forgiveness document. PPP loans of \$150,000 and under account for 86 percent of total PPP recipients, but less than 27 percent of PPP loan dollars. Expediting the loan forgiveness process for many of these hard-hit

businesses will save more than \$7 billion dollars and hours of paperwork.

Data provided in an independent analysis by AQN Strategies (AQN) has shown an estimated benefit of issuing auto-forgiveness for various loan size thresholds. AQN anticipates the combined resource requirements of operators' time and/or third-party expenses to represent an effective cost of \$2,000-\$4,000 for each business that applies for forgiveness, requiring 20-100 hours of focused time from key leaders of these businesses. With an average loan size of less than \$19,000 for the smallest 60 percent of loans, this estimate would represent 10-20 percent of the loan amount itself, which is otherwise intended to support payroll, rent, and other obligations necessary to keep businesses alive and ready to restart. In addition, AQN's analysis suggests that the cost to businesses and lenders would be lower than the cost for the government to auto-forgive loans.

Small businesses and their employees are the backbone of our nation's economy and communities. Their time and resources would be better focused on getting the economy safely back up and running, not processing burdensome paperwork.

We strongly support H.R. 7777 and look forward to working with you, the Committee, and the 116th Congress to pass this bill and have it signed into law.

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## **Rep. Lieu Introduces Bill to Help Businesses Keep Employees and Customers Safe During Pandemic**

Congressman Ted W. Lieu (D-Los Angeles County) introduced the Reopen Small Businesses Safely Act, which would direct the Small Business Administration to allow COVID-19-related emergency loans to be used to cover health and safety business improvements.

The bill, which is cosponsored by Reps. Brian Fitzpatrick (R-PA), Angie Craig (D-MN), Thomas Suozzi (D-NY), Ed Case (D-HI), Kathleen Rice (D-NY), would enable Economic Injury Disaster Loan borrowers to purchase items that ensure the health and safety of employees and customers in light of the pandemic. Rep.

Lieu [previously sent a letter](#) with 27 Members of Congress to the SBA asking to address this issue.

"In order to operate in our new reality, businesses need necessary resources to protect workers and customers," Rep. Lieu said. "Allowing EIDL loans to be used for safety and mitigation activities such as purchasing personal protective equipment, touch-less point-of-sale systems, and glass partitions will ensure the health and safety of employees and customers. This bill is a common-sense way to support businesses that want to operate safely during this pandemic."

Rep. Lieu believes Congress should change the Economic Injury Disaster Loan program's rules to include purchases of personal protective equipment as an approved business expense that is eligible for forgiveness. This would allow borrowers to use those funds to secure critical protective equipment that is needed for employees to return to work. This move will be particularly impactful for small businesses and their employees given the very limited resources and revenue that many small businesses are trying to operate with during these difficult times.

Congressman Lieu is a member of the House Foreign Affairs and House Judiciary Committees, and serves as a Co-Chair of the Democratic Policy and Communications Committee. Mr. Lieu is a veteran, having served on Active Duty in the Air Force.

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## **SCWA Joins Beneficial Ownership NDAA Coalition Letter**

Dear Chairman Inhofe, Chairman Smith, Ranking Member Reed, and Ranking Member Thornberry,

As you begin conference discussions on the Fiscal Year 2021 National Defense Authorization Act, the undersigned small business organizations urge you to exclude non-germane provisions that would burden small businesses with new beneficial ownership reporting requirements through the creation of a federal registry. During Main Street's most significant economic and public health crisis in generations, now is not the time to kick small business owners while they are down and target the smallest businesses in America with a new, permanent reporting requirement that

compromises the privacy of law-abiding small business owners.

The House passed H.R. 6395, the William M. (Mac) Thornberry National Defense Authorization Act for Fiscal Year 2021, contained an amendment offered by Representative Carolyn Maloney that incorporated the text of H.R. 2513, the Corporate Transparency Act of 2019. This unrelated amendment was grouped with 154 other amendments within a massive en-bloc amendment that received only one minute of debate. In the Senate, Senators Crapo and Brown submitted a similar amendment, Senate Amendment 2198 to S. 4049, the National Defense Authorization Act for Fiscal Year 2021, but ultimately, the amendment was excluded from the legislation.

The amendments are structured similarly and would require millions of small businesses, nearly every employer with 20 or fewer employees, to register their personally identifiable ownership information with the Financial Crimes Enforcement Network (FinCEN) at the Department of Treasury and update that information periodically for the life of the business. Willful failure to provide completed and updated paperwork could result in significant fines and imprisonment. These amendments seek to transfer a substantial regulatory requirement, FinCEN's Customer Due Diligence Rule, from financial institutions to the smallest businesses in America.

Not only would these amendments burden small business owners, but they would also decrease privacy protections. Under current law, the beneficial ownership information of small business owners is held securely by financial institutions and can only be accessed by law enforcement via a judicial subpoena or warrant. This requirement would be eliminated by these amendments and thousands of law enforcement and intelligence officials, including foreign governments, would be able to access this information via requests through undefined protocols.

These amendments will slow the economic recovery of Main Street and neither should be included in the Fiscal Year 2021 National Defense Authorization Act conference report.