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May 29, 2020

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

Ms. Jovita Carranza, Administrator
US Small Business Association
409 3rd Street, SW
Washington, D.C. 20416

RE: Proposed De Minimis PPP Loan Forgiveness Threshold

Dear Secretary Mnuchin and Administrator Carranza:

The Nebraska business trade Associations noted at the conclusion of this letter write to express our concerns about the Paycheck Protection Program (PPP) loan forgiveness process which was included in recently released SBA guidance. We are asking you to consider creation of a de minimis threshold of \$150,000 for PPP loan forgiveness, thereby reducing the administrative and compliance burden on our small business borrowers.

Before outlining our thoughts on a PPP de minimis threshold, we would like to thank you for your tireless efforts in crafting and implementing the monumental programs contained in the CARES Act. Clearly, you and your teams deserve the thanks and support of all Americans in helping to navigate the current health pandemic and subsequent economic challenges. We are also grateful that you have sought and acted upon suggestions to smooth the PPP process for both borrowers and lenders. Resources available through the CARES Act have allowed businesses across our great state to not only survive, but also to prepare for the future.

Members of our respective business associations remain concerned that the current forgiveness process will require small PPP borrowers (average loan in Nebraska=\$84,667) to hire outside experts in order to properly complete the forgiveness form, thereby eating away at funding necessary to keep these small businesses running. We believe it would best serve the interests of small business owners, taxpayers, and the policy objectives established by Congress, to consider making the loan forgiveness process easier and less technical for smaller borrowers whose businesses are already at great risk.

We urge you to consider a de minimis threshold of \$150,000 under which borrowers with outstanding loans may receive 100% PPP loan forgiveness through completion of a "PPP-EZ Form" – a simple one-page attestation – acknowledging that the borrower spent their PPP loan proceeds on payroll and other approved uses outlined in the CARES Act.

Borrowers could still be asked to maintain documentation in the case of an SBA audit in future years, but simplifying the forgiveness application process for the smallest borrowers will provide additional relief by eliminating the need to spend hours dealing with unnecessarily complicated paperwork, performing calculations, or expending precious dollars on consultants in order to prove compliance with federal guidance. In addition to relieving these small businesses of the significant time and expenses required by the current guidance, this streamlined forgiveness approach would relieve the SBA from an enormous administrative burden created by millions of requests for forgiveness.

Thank you for considering our request for simplifying the PPP loan forgiveness process for our important small businesses who are borrowing \$150,000 or less. The forgiveness of these loans is most urgent as the original eight-week deadline for forgiveness fast approaches. Together, we can support and sustain America's small businesses!

Should you have questions or if you would like to discuss our request in greater detail, please feel free to contact me directly: richard.baier@nebankers.org, or via cell at (402) 580-8340.

Sincerely,



Richard J. Baier
President & Chief Executive Officer
Nebraska Bankers Association

Joined by: Greater Omaha Area Chamber of Commerce
Lincoln Chamber of Commerce
Nebraska Chamber of Commerce & Industry
Nebraska Bankers Association
Nebraska Land Improvement Contractors Association
Nebraska New Car and Truck Dealers Association
Nebraska Independent Auto Dealers Association
Nebraska Petroleum Marketers and Convenience Store Association
Nebraska Press Association

CC: Senator Deb Fischer
Senator Ben Sasse
Congressman Don Bacon
Congressman Jeff Fortenberry
Congressman Adrian Smith