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June 1, 2020

The Honorable Marco Rubio
Chairman
U.S. Senate Committee on Small Business
and Entrepreneurship
284 Russell Senate Office Building
Washington, DC 20510

The Honorable Ben Cardin
Ranking Member
U.S. Senate Committee on Small Business
and Entrepreneurship
509 Hart Senate Office Building
Washington, DC 20510

The Honorable Mike Crapo
Chairman
U.S. Senate Committee on Banking, Housing,
and Urban Affairs
239 Dirksen Senate Office Building
Washington, DC 20510

The Honorable Sherrod Brown
Ranking Member
U.S. Senate Committee on Banking, Housing,
and Urban Affairs
503 Hart Senate Office Building
Washington DC, 20510

RE: Recommendations for the forgiveness provisions related to loans made through the Paycheck Protection Program (PPP) for the economic benefit of Minority-owned small businesses.

Dear Chairman Rubio, Chairman Crapo, Ranking Member Cardin, and Ranking Member Brown,

Thank you for your indefatigable commitment to return our economy back to its pre COVID-19 market strength and functioning for all Americans. We appreciate your steadfast leadership during these uncertain times.

On behalf of the United States Hispanic Chamber of Commerce (USHCC), our Board of Directors, and the Hispanic-owned business community, we are writing to express our policy requests as you consider the measures related to the forgiveness of loans made through the Paycheck Protection Program (PPP), as the American economy begins to recover during and after the COVID-19 economic crisis.

The USHCC actively promotes the economic growth, development and interests of more than 4.7 million Hispanic-owned businesses that aggregately contribute over \$800 billion to the American economy every year. We also serve as a platform for our nationwide network of over 250 local Hispanic chambers of commerce.

Prior to the COVID-19 economic crisis, Minority Business Enterprises (MBEs) have been succeeding in spite of the many historical barriers minority entrepreneurs face as they work to start and grow a business. MBEs are two to three times more likely to be denied business loans, have one third of the annual gross revenues when compared to non-minority owned companies, and are half as likely to have at least one employee on payroll. When we fail to invest in minority-owned firms, our economy suffers.

In this spirit, the USHCC asks for your consideration of the following proposed policy requests as your committees and respective colleagues consider forgiveness provisions for minority-owned small businesses related to the PPP.

We would like to recommend the three priorities listed below as imperative for the smallest of our businesses to be successful in obtaining economic relief from the PPP:

- 1. Simplify the Forgiveness Process:** We recommend a forgiveness process that is simple, efficient and easy for small businesses to complete. The Small Business Administration's



(SBA) PPP interim final rule for loan forgiveness goes beyond Congressional intent and will result in a forgiveness process that is likely to be more time consuming than the origination process. Confirming and reviewing calculations will be challenging, and it will create an overly burdensome and lengthy process, especially for diverse and underserved small businesses.

2. **Expedite Forgiveness for the Smallest Businesses:** Establish a tiered system whereby complexity of review increases with loan size. Microbusinesses under a minimum threshold of outstanding loans should receive forgiveness through an expedited process (e.g. loans less than \$100,000). For example, the use of a “PPP-EZ form” – a simple one-page attestation – acknowledging that they spent the majority of PPP funds to preserve the jobs of their employees as outlined in the guidance and consistent with their PPP application could be effective. Additional tiers can be developed for PPP loans above \$100,000 and \$2 million as appropriate. Lending institutions can process forgiveness applications for PPP loans over \$2 million for completeness and accuracy with submission to the SBA for review and approval consistent with the SBA forgiveness interim final rule.
3. **Lengthen Period for Use of Funds:** An expansion of the use of funds through PPP should be extended from eight weeks to twenty-four weeks as proposed by Senators Rubio and Cardin to provide more time for minority-owned small businesses to use and account for their PPP funds.

If you have any questions or require additional information, please do not hesitate to contact C. LeRoy Cavazos-Reyna, Vice President of Government and International Affairs, at LCavazos@ushcc.com or via phone at 956-844-9628. Thank you in advance for your consideration in this matter, we look forward to your positive response and collaboration on these important policy priorities.

Respectfully,

Carmen Castillo
Chairwoman, Board of Directors
U.S. Hispanic Chamber of Commerce

Ramiro A. Cavazos
President & CEO
U.S. Hispanic Chamber of Commerce