

April 13, 2020

Vince Malta
2020 President

Bob Goldberg
Chief Executive Officer

ADVOCACY GROUP

William E. Malkasian
Chief Advocacy Officer / SVP

Shannon McGahn
SVP Government Affairs

The Honorable Nancy Pelosi
Speaker of the House
U.S. House of Representatives
1236 Longworth House Office
Building
Washington, DC 20515

The Honorable Mitch McConnell
Republican Leader
U.S. Senate
317 Russell Senate Office Building
Washington, DC 20510

The Honorable Kevin McCarthy
Republican Leader
U.S. House of Representatives
2468 Rayburn House Office Building
Washington, DC 20515

The Honorable Charles E. Schumer
Democratic Leader
U.S. Senate
322 Hart Senate Office Building
Washington, D.C. 20510

Dear Speaker Pelosi, Leader McCarthy, Leader McConnell, and Leader
Schumer:

On behalf of the more than 1.4 million members of the National Association of REALTORS® (NAR) and its affiliates the CCIM Institute, the Institute of Real Estate Management (IREM), and the Society of Industrial and Office REALTORS® (SIOR), thank you for your work to assist small businesses impacted by the COVID-19 crisis in the CARES Act. This law was written to provide broad, much-needed protections for small businesses and independent contractors, and I urge you to support the funding these programs will need to meet demand and ensure the legislation is implemented as intended.

The CARES Act appropriated \$349 billion for the creation of Paycheck Protection Program (PPP) loans and \$10 billion for the SBA Economic Injury Disaster Loan (EIDL) advance grant program, providing two critical funding sources for small businesses and independent contractors impacted by COVID-19. EIDLs, which offer a maximum of \$2 million to each applicant, are designed to ensure working capital is accessible during a disaster; PPP loans are capped at \$10 million and must be used to maintain payroll costs and other expenses. High-demand for these programs has strained the SBA and its lenders, raising legitimate concerns that necessary funding will quickly become depleted. In addition, many SBA lenders are turning away PPP applicants without existing business accounts. This has left countless businesses and independent contractors unable to access funding, which within one week of opening was already nearly one-third committed.

Two weeks after passage of the CARES Act – while many small businesses and independent contractors had already submitted applications – the SBA announced that EIDLs will be capped at \$15,000 with a maximum advance amount of \$1,000 per employee. This sharp departure



from CARES Act language is meant to expand access to the program, but it completely alters the nature of the loan and the advance grant, dramatically reducing effectiveness for businesses in need. Especially impacted by this change are independent contractors who have no employees and whose EIDL grants are essentially rendered unforgivable. Tying EIDL advances to employee numbers bears no relation to the purpose of the loan; although these funds can be used for payroll costs, they are not explicitly tied to maintaining employee numbers or payroll levels – as is the PPP. Reducing the loan limit from \$2 million to \$15,000 is particularly devastating to businesses that have been shut down for a month and have no way of knowing when they will be able to reopen.

We strongly urge you to provide additional funding for the PPP and EIDL programs in future COVID-19 response legislation, ensuring the need for these loans is met as this crisis continues. In addition, Congress should clarify implementation to resolve issues with added limits and requirements that are not in accord with legislative intent.

Thank you again for your work to ensure our nation's small businesses and independent contractors will not only survive this crisis, but will be able to lead in our nation's upcoming economic recovery.

Sincerely,

A handwritten signature in black ink, appearing to read "Vince Malta", written in a cursive style.

Vince Malta
2020 President, National Association of REALTORS®

cc: United States House of Representatives
United States Senate