

**June 2, 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 Marco Rubio  
Chairman  
Senate Committee on Small Business  
and Entrepreneurship  
284 Russell Senate Office Building  
Washington DC, 20510

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

Dear Chairman Rubio and Ranking Member Cardin:

On behalf of the 1.4 million members of the National Association of REALTORS®, thank you for holding today's hearing, "Perspectives from Main Street: COVID-19's Impact on Small Business." NAR's membership is comprised of many small business owners and independent contractors, and small businesses make up a large portion of NAR's commercial practitioner clientele.

Public safety measures put in place to slow the spread of COVID-19 and stay-home orders around the country have resulted in thousands of small businesses closing or reducing their operations. According to a Small Business Pulse Survey conducted by the U.S. Census Bureau, more than half of respondents reported a large negative impact due to COVID-19, with an average of 31.4% expecting that it will take more than six months before their businesses return to normal.<sup>1</sup> Additionally, the Department of Labor reports that in April 2020 unemployment levels increased by 10.3% to 14.7% nationwide, the highest level and the largest single-month increase since it began collecting such data.<sup>2</sup> These businesses and their employees will need continued attention and assistance in the coming months, even after they are allowed to be reopening.

We appreciate the work that Congress has done to address these issues and provide aid to small businesses and their employees, including independent contractors, thus far. The creation of the Paycheck Protection Program (PPP) and the Economic Injury Disaster Loan (EIDL) advance grants have been crucial sources of relief for those impacted. We are encouraged by the work being done in Congress to improve the PPP loans by giving greater flexibility to recipients for how they use the funds, which

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<sup>1</sup> U.S. Census Bureau, May 14, 2020, "New Small Business Pulse Survey Shows Breadth of COVID-19 Impact on Businesses," <https://www.census.gov/library/stories/2020/05/new-small-business-pulse-survey-shows-breadth-of-covid-19-impact-on-businesses.html> (June 1, 2020).

<sup>2</sup> Bureau of Labor Statistics, U.S. Department of Labor, May 8, 2020 "The Employment Situation – April 2020," <https://www.bls.gov/news.release/pdf/empsit.pdf> (June 1, 2020).



will increase their chances of being able to reopen and re-hire their employees when the crisis is over. In particular, lowering the percentage of the loans that must go toward payroll costs (currently set at 75%) and increasing the length of time businesses have to use the funds will be helpful to borrowers who are struggling with meeting the program's current requirements to qualify for forgiveness. As many PPP borrowers approach the end of their covered period, it is also important that guidelines on forgiveness from the SBA and the Treasury Department are clear and consistent, and do not place undue burdens on the small business owners and independent contractors who received loans and followed the program's requirements in good faith.

In addition to the SBA programs, the creation of the Main Street Lending Facility through the Federal Reserve will be another important source of capital for small- and medium-sized businesses that were in sound financial condition before the onset of the pandemic. However, the current minimum loan under the program is set at \$500,000 – a number too high for many businesses that may need access to the program in order to survive. The addition of a low-cost loan within the Mainstreet Lending Facility for small businesses and nonprofits with no minimum loan size would improve the program and increase its efficacy.

Finally, as you look into the impact on small businesses around the country, we encourage you to also consider 501(c)(6) organizations that have been affected. Currently these organizations are not eligible to apply for PPP loans, and many are struggling. These organizations employ thousands of people, and provide important services and support to their communities. They will play an important role in the economic recovery post-COVID-19 in this country, but in order to get there will need assistance as well.

Thank you again for your continued work on behalf of the small businesses and independent contractors who are struggling to survive this crisis, and for the assistance you have already provided to them.

Sincerely,

A handwritten signature in black ink, appearing to read "Vince Malta". The signature is fluid and cursive, with a large initial "V" and "M".

Vince Malta

2020 President, National Association of REALTORS®

cc: U.S. Senate Committee on Small Business and Entrepreneurship