

**September 25, 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 Andy Kim  
Chairman  
House Small Business Committee,  
Subcommittee on Economic Growth,  
Tax, and Capital Access  
1516 Longworth House Office Building  
Washington, DC 20515

The Honorable Kevin Hern  
Chairman  
House Small Business Committee,  
Subcommittee on Economic Growth,  
Tax, and Capital Access  
1019 Longworth House Office Building  
Washington, DC 20515

Dear Chairman Kim and Ranking Member Hern:

On behalf of the 1.4 million members of the National Association of REALTORS®, thank you for holding today's hearing, "A Review of PPP Forgiveness." The Small Business Administration's Paycheck Protection Program (PPP) has provided a lifeline to thousands of small businesses in the U.S. during the COVID-19 pandemic, but in order for it to deliver fully on its promise the forgiveness process must be transparent and straightforward.

PPP loans provide crucial assistance to small businesses and independent contractors impacted by the pandemic, allowing them to keep employees paid and meet other debt obligations, such as paying their rent or mortgage interest and utilities. However, the program is complicated, and applications for forgiveness represent a challenge to many borrowers who have not needed to seek aid in the past and do not have accountants or attorneys on staff to assist them – a group that includes most small business owners and independent contractors.

NAR supports legislation to simplify this issue, including H.R. 7777, the Paycheck Protection Small Business Forgiveness Act, which would forgive PPP loans below \$150,000 if the borrower submits a one-page form self-certifying their compliance with the program's requirements. Those borrowers represent independent contractors and the smallest of small businesses, which are the most vulnerable to the economic damage that COVID-19 is wreaking. For example, an independent contractor can receive a maximum PPP loan amount of \$20,833 – based on having net earnings of \$100,000 in 2019, which is much higher than the average. These borrowers may struggle to afford outside help to ensure they are properly filling out the forgiveness application forms; if they do them on their own and make an error, they could be on the hook for the full loan amount, something they did not count on. Forgiving loans of less than \$150,000 is a common-sense solution which will allow those small businesses to focus their time and energy on reopening and boosting the economy.



In addition, NAR is concerned by the recent GAO report that small businesses will likely experience difficulties and delays when applying for PPP forgiveness. The SBA has yet to release crucial guidance for both borrowers and lenders informing them of exactly how the forgiveness process will work and what the timeline will be for borrowers to have their loans converted to grants. Uncertainty regarding the status or eligibility of a forgiveness application undermines the goal of the program and needlessly punishes borrowers who have met its requirements and are counting on this loan forgiveness. This is all the more important as we near the end of the calendar year, when many business owners are planning their budgets and making forecasts for 2021. An unexpected loan payment due to delays and confusion surrounding PPP forgiveness will hamper those businesses' ability to help generate much-needed economic growth.

Again, thank you for holding this important hearing. We look forward to continuing to work with you to ensure that PPP loans are fulfilling their purpose of helping small businesses survive this crisis and lead in our nation's 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: Subcommittee on Economic Growth, Tax, and Capital Access