

March 5, 2021

The Honorable Benjamin Cardin  
Chairman  
U.S. Senate Committee on Small Business  
& Entrepreneurship  
Washington, D.C. 20510

The Honorable Rand Paul  
Ranking Member  
U.S. Senate Committee on Small Business  
& Entrepreneurship  
Washington, D.C. 20510

The Honorable Nydia Velazquez  
Chairwoman  
U.S. House Committee on Small Business  
Washington, D.C. 20515

The Honorable Blaine Luetkemeyer  
Ranking Member  
U.S. House Committee on Small Business  
Washington, D.C. 20515

Dear Chairmen Cardin, Chairwoman Velazquez, and Ranking Members Paul and Luetkemeyer:

We the undersigned trade associations, representing thousands of banks and credit unions that serve America's small businesses, write to request that you urge the U.S. Small Business Administration (SBA) to make every effort to clear the thousands of loan holds currently in the Paycheck Protection Program (PPP). In addition, to ensure that small businesses owners have full access through the intended program period, we would request that any PPP loan application that has been submitted to the SBA by March 31, 2021 be eligible for subsequent SBA approval, which will provide the necessary time to allow for completion and funding. This change will allow for all eligible small businesses currently held up by loan holds or process delays to receive much needed funding.

As you may know, since the PPP reopened earlier this year, SBA has implemented a series of automated checks on all incoming loan applications in an attempt to minimize waste, fraud, and abuse of funds. Though an important step, this check slows down the approval process of a PPP loan. Further, when a loan is flagged by certain hold codes, lenders are unable to resolve the issue and the loan application enters into a gray area where SBA review is required. SBA has stated they will work to resolve any hold codes expeditiously. However, in practice, this review process has led to thousands of PPP borrowers having their applications on hold for several weeks or longer.

With the approaching authorization expiration date of March 31, 2021, we have serious concerns that many of these loans currently tagged with a hold code will remain outstanding through this date. We also have concerns that new loans uploaded to SBA's portal this month will be outstanding when the portal shuts down. As a result, those businesses that should have been eligible to receive PPP funds – including those in hardest hit communities who may not have taken advantage of PPP last year – will be locked out and unable to access this much needed emergency capital.

Since its inception the PPP has served a vital role in helping millions of small businesses survive. As this program reaches its current congressionally authorized sunset date, thousands of our nation's small businesses have filed or intend to file applications for this critical economic

lifeline. They should be given the opportunity to receive these funds through the full program authorization period.

Thank you for your consideration of this important issue and our members stand ready to complete all loans impacted by hold codes or that are in process on March 31, 2021.

Sincerely,

American Bankers Association  
Bank Policy Institute  
Community Development Bankers Association  
Consumer Bankers Association  
Credit Union National Association  
Financial Services Forum  
Independent Community Bankers of America  
National Association of Federally-Insured Credit Unions  
National Association of Government Guaranteed Lenders  
National Bankers Association