

March 24, 2020

The Honorable Nancy Pelosi, Speaker
United States House of Representatives
1236 Longworth House Office Building
Washington, D.C. 20515

The Honorable Mitch McConnell, Leader
United States Senate
317 Russell Senate Office Building
Washington, D.C. 20510

The Honorable Kevin McCarthy, Leader
United States House of Representatives
2468 Rayburn House Office Building
Washington, D.C. 20515

The Honorable Charles Schumer, Leader
United States Senate
322 Hart Senate Office Building
Washington, D.C. 20510

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

The undersigned Associations support many of the steps that have been taken in previous legislation and have worked closely with you to include important new lending programs in the Small Business section of the CARES Act that will provide critical relief for small businesses and their employees during this crisis. As you finalize legislation, we are writing to strongly urge that the provisions which would enhance and incentivize SBA's 7(a) loan program be included in the final *CARES Act* legislation. This is of critical importance to the country's lending community if we want to stabilize the economy now.

Many of our small business members, from restaurants to retailers to hotels and others, will be turning to private-sector banks and credit unions, whether they currently participate in SBA lending or not, who will in turn be turning to the SBA's 7(a) loan program as the way to deliver capital and economic relief to the economy while conventional lending recedes in the wake of the current economic turmoil. However, in order to quickly stimulate essential lending, small business borrowers and lenders need the tried and true enhancements that would encourage banks and credit unions to lend and borrowers to seek capital now.

We understand that the Senate's Small Business Task Force has been working to craft the "Small Business Interruption Loan Program," which would provide payroll relief for small businesses who retain their employees through a Small Business Administration (SBA) and Department of Treasury partnership. This new concept does not need to exist at the exclusion of the other 7(a) enhancement provisions that we know work and that lenders need. Congress should simultaneously provide the existing 7(a) loan program the enhancement provisions to spur on lending that can be done right now.

The enhancement provisions to the 7(a) loan program that the lending community needs in order to preserve the small business economy, include:

- fee waivers for small business borrowers and lenders;
- increased federal guaranty;
- increased deferment flexibility to remove existing hurdles and provide borrowers critical deferment relief;
- increased maximum loan size for all 7(a) loans;
- increased maximum loan size for Express loans;

- increased general 7(a) and secondary market authorization caps to allow for increased lending while utilizing the above enhancements; and in order to encourage speed in providing SBA loans,
- authority for the SBA Administrator to waive real estate appraisal requirements prior to loan closing; and
- authority for the SBA Administrator to suspend requirements that the income tax verifications are necessary prior to loan closing.

We are hearing from our members that the SBA departments at institutions across the country are being flooded as billions in small business loans are no longer able to be made conventionally. As in past periods of economic crisis, small business borrowers, banks and credit unions turn to the 7(a) loan program as one of the most valuable tools to continue serving small business borrowers. We saw this exponential increase in SBA lending after the Great Recession. But this country's financial institutions are also going to be proceeding cautiously in the coming months, with less appetite to take on risk or additional costs. That is why these 7(a) loan program enhancement provisions are so critical right now.

We strongly urge you to include the general 7(a) loan program enhancement provisions in the final *CARES Act*. Without these enhancement provisions, Congress will not have done everything in its power to stabilize the financial system and prevent further economic consequences beyond what we've already are experiencing.

Sincerely,

Alabama Restaurant & Hospitality Association
 Alaska Hotel & Lodging Association
 American Hotel & Lodging Association
 American Independent Business Coalition
 Arizona Lodging & Tourism Association
 Arizona Retail Association
 Arkansas Hospitality Association
 Asian American Hotel Owners Association
 California Association of Bed and Breakfast Inns
 California Hotel & Lodging Association
 California Retailers Association
 Cincinnati Hotel Association
 Coalition of Franchisee Associations
 Colorado Retail Council
 Connecticut Lodging Association
 Connecticut Retail Merchants Association
 Delaware Hotel & Lodging Association
 Disability:IN
 Explore Charleston
 Florida Restaurant & Lodging Association

Florida Retail Federation
 Franchise Business Services
 Georgia Hotel & Lodging Association
 Georgia Retail Association
 Hospitality Minnesota
 Hospitality Tennessee
 Hotel Association of Los Angeles
 Hotel Association of Washington DC
 Idaho Lodging & Restaurant Association
 Illinois Hotel & Lodging Association
 Illinois Retail Merchants Association
 Indiana Restaurant & Lodging Association
 International Franchise Association
 Iowa Retail Federation
 Kentucky Retail Federation
 Latino Hotel Association
 Long Beach Hospitality Association
 Lowcountry Hospitality Association
 Maryland Association of Chain Drug Stores
 Maryland Food Industry Council

Maryland Hotel Lodging Association	OHLA - Northwest Ohio Lodging Council
Maryland Retailers Association	Oklahoma Hotel & Lodging Association
Massachusetts Lodging Association	Oklahoma Retail Merchants Association
Michigan Restaurant & Lodging Association	Oregon Business & Industry
Michigan Retailers Association	Oregon Restaurant & Lodging Association
Minnesota Retailers Association	Pennsylvania Restaurant & Lodging Association
Missouri Retailers Association	Pennsylvania Retailers Association
Missouri Tire Industry Association	Retail Association of Maine
Montana Equipment Dealers Association	Retail Association of Nevada
Montana Lodging & Hospitality Association	Retailers Association of Massachusetts
Montana Retail Association	Rhode Island Hospitality Association
Montana Tire Dealers Association	Sacramento Hotel Association
National Association for the Self-Employed	Small Business & Entrepreneurship Council
National Association of Manufacturers	South Carolina Retail Association
National Association of Self-Employed	Southern Consumers Alliance
National Association of Women Business Owners	Texas Hotel & Lodging Association
National Franchisee Association	Texas Retailers Association
National Restaurant Association	The Asian/Pacific Islander American Chamber of Commerce & Entrepreneurship
National Retail Federation	Tri State Jewelers Association
Nebraska Retail Federation	U.S. Black Chambers
New Hampshire Lodging & Restaurant Association	U.S. Hispanic Chamber of Commerce
New Hampshire Retail Association	U.S. Travel Association
New Jersey Campgrounds and Outdoor Lodging Association	Unique Lodging of Ohio
New Jersey Hotel & Lodging Association	Vermont Retail & Grocers Association
New Jersey Retail Merchants Association	Virginia Restaurant Lodging & Travel Association
New Mexico Hospitality Association	Virginia Retail Federation
New Mexico Retail Association	Virginia Retail Merchants Association
New York State Hospitality & Tourism Association	Washington Hospitality Association
North Caroline Restaurant & Lodging Association	Washington Retail Association
Ohio Council of Retail Merchants	West Virginia Retailers Association
Ohio Hotel & Lodging Association	Wisconsin Hotel & Lodging Association
OHLA - Greater Akron Lodging Council	Wyoming Lodging and Restaurant Association
OHLA - Greater Cincinnati Lodging Council	Wyoming Retail Association
OHLA - Greater Cleveland Lodging Council	Wyoming Travel Industry Coalition
OHLA - Greater Columbus Lodging Council	
OHLA - Greater Dayton Lodging Council	