

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  
 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  
 Explore Charleston  
 Florida Restaurant & Lodging Association  
 Florida Retail Federation

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

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