



June 16, 2020

The Honorable Steven T. Mnuchin
Secretary
U.S. Department of the Treasury
1500 Pennsylvania Avenue, NW
Washington, D.C. 20220

The Honorable Jovita Carranza
Administrator
U.S. Small Business Administration
409 3rd Street, SW
Washington, D.C. 20416

Dear Secretary Mnuchin and Administrator Carranza:

On behalf of the National Restaurant Association and our 52 state restaurant association partners, we appreciate the Administration's commitment to implement and improve the Paycheck Protection Program (PPP). The PPP is an important step in the recovery process for restaurants, but loan forgiveness remains a fundamental test for PPP. We urge the Department of the Treasury and the Small Business Administration (SBA) to issue clear, streamlined guidance for small businesses and revise the loan forgiveness application so that it is a simple, one-page certification for any loan under \$350,000.

As restaurants prepare loan forgiveness applications, they are navigating devastating economic conditions that impede a small business from retaining outside tax, legal, or accounting experts; struggling to comply with evolving federal regulations¹; and awaiting much-anticipated loan forgiveness guidance from the "Paycheck Protection Program Flexibility Act of 2020" (PPPFA). The SBA and Treasury Department must consider:

- 1) **Streamlining the certification process will help restaurants avoid additional debt due to outside consulting expenses.** Restaurants have lost \$120 billion in sales from March – May 2020, with 75 percent of operators saying it is unlikely their restaurant will be profitable within the next six months.² Even in positive economic climates without state-ordered capacity restrictions, most restaurants survive on single-digit profit margins without dedicated accounting or legal resources. In order to avoid significant PPP loan debt, many restaurants are considering hiring additional financial and legal consulting at a time when small businesses cannot afford it. Simplifying the loan forgiveness process and application is an essential step to make PPP work for restaurants.
- 2) **Small business relief is needed due to regulatory uncertainty.** Since April, the Administration has "issued 18 'interim final rules' and 48 pieces of guidance in the form of 'frequently asked questions' for PPP," per the *Wall Street Journal*. As a bipartisan group of 44 U.S. Senators noted on June 12, the loan forgiveness application is "three times longer than the original application for the PPP."³ This is an extremely complex process, but a one-page certification for the smallest loans is an opportunity to aid small businesses and meet the intent of PPP.

¹ ["Small Businesses Tackle New PPP Puzzle: Forgiveness,"](#) Wall Street Journal, June 14, 2020.

² ["Coronavirus continues to devastate restaurant industry, new research finds,"](#) National Restaurant Association, June 12, 2020.

³ ["Rounds Leads Bipartisan Letter Urging the Administration to Provide Paperwork Relief for Small Businesses who Utilized the COVID-19 Relief Program,"](#) Senator Mike Rounds, June 12, 2020.

- 3) New loan forgiveness guidance reflecting the PPPFA has not been released, even though many restaurants have either finished or are winding down their PPP funds.** On June 5, President Trump signed the PPPFA into law with significant improvements to the loan forgiveness process. We appreciate both of you acknowledging the coming updates during the hearing before the Senate Small Business and Entrepreneurship Committee on June 10. Restaurants are eager to review these updates, but it will be a major challenge for smaller restaurants to anticipate and process a new application.

During this unprecedented economic disruption and unprecedented federal economic relief effort, restaurants are striving for solutions to maintain payrolls, keep operations running, and serve the communities they love. On behalf of the National Restaurant Association and our 52 state restaurant association partners, we thank you for your consideration of this urgent recommendation to help restaurants and all small businesses.

Sincerely,

National Restaurant Association

Alabama Restaurant & Hospitality Association	Mississippi Hospitality & Restaurant Association
Alaska Cabaret, Hotel, Restaurant & Retailers Association	Missouri Restaurant Association
Arizona Restaurant Association	Montana Retail Association
Arkansas Hospitality Association	Nebraska Restaurant Association
California Restaurant Association	Nevada Restaurant Association
Colorado Restaurant Association	New Hampshire Lodging & Restaurant Association
Connecticut Restaurant Association	New Jersey Restaurant & Hospitality Association
Restaurant Association of Metropolitan Washington	New Mexico Restaurant Association
Delaware Restaurant Association	New York State Restaurant Association
Florida Restaurant & Lodging Association	North Carolina Restaurant & Lodging Association
Georgia Restaurant Association	North Dakota Hospitality Association
Hawaii Restaurant Association	Ohio Restaurant Association
Idaho Lodging & Restaurant Association	Oklahoma Restaurant Association
Illinois Restaurant Association	Oregon Restaurant & Lodging Association
Indiana Restaurant & Lodging Association	Pennsylvania Restaurant & Lodging Association
Iowa Restaurant Association	Puerto Rico Restaurant Association
Kansas Restaurant & Hospitality Association	Rhode Island Hospitality Association
Kentucky Restaurant Association	South Carolina Restaurant & Lodging Association
Louisiana Restaurant Association	South Dakota Retailers Association
Hospitality Maine	Hospitality Tennessee
Restaurant Association of Maryland	
Massachusetts Restaurant Association	
Michigan Restaurant & Lodging Association	
Minnesota Restaurant Association	

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Honorable Jovita Carranza
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Texas Restaurant Association
Utah Restaurant Association
Vermont Chamber of Commerce
Virginia Restaurant, Lodging & Travel
Association

Washington Hospitality Association
West Virginia Hospitality & Travel Association
Wisconsin Restaurant Association
Wyoming Restaurant Association

CC: The Honorable Mitch McConnell
The Honorable Chuck Schumer
The Honorable Nancy Pelosi
The Honorable Kevin McCarthy
The Honorable Marco Rubio
The Honorable Ben Cardin
The Honorable Nydia Velázquez
The Honorable Steve Chabot
The Honorable Mike Crapo
The Honorable Sherrod Brown
The Honorable Maxine Waters
The Honorable Patrick McHenry