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National Association of Federally-Insured Credit Unions

May 25, 2021

The Honorable Nydia Velázquez   The Honorable Blaine Luetkemeyer
Chairwoman   Ranking Member
Committee on Small Business   Committee on Small Business
U.S. House of Representatives   U.S. House of Representatives
Washington, DC 20515   Washington, DC 20515

Re: Tomorrow's Hearing, "An Examination of the SBA's Covid-19 Programs"

Dear Chairwoman Velázquez and Ranking Member Luetkemeyer:

I am writing on behalf of the National Association of Federally-Insured Credit Unions (NAFCU) in conjunction with tomorrow's oversight hearing to examine the Small Business Administration's (SBA) COVID-19 relief programs. As you are aware, NAFCU advocates for all federally-insured not-for-profit credit unions that, in turn, serve over 124 million consumers with personal and small business financial service products. We thank you for providing credit unions with important tools, such as the Paycheck Protection Program (PPP), to help their small business members during this pandemic. We would like to take this opportunity to share how credit unions have been able to help their communities through the PPP, as well as our recommendations to ensure maximum efficacy of the program in what we hope is the homestretch of this pandemic.

As we have previously written, throughout the pandemic, credit unions have been able to extend desperately needed liquidity through the PPP to small businesses that were not able to get help, or were turned away, from other types of institutions. We would like to reiterate our thanks to the Committee for working to ensure that credit unions were able to participate in this program and receive dedicated windows to process loan applications to ensure that their small business members were not left out.

While we appreciate Congress acting at the end of last year to simplify the forgiveness process, we would also like to reiterate that the forgiveness process through SBA remains cumbersome and urge you to implore the SBA to continue to streamline this process. We have heard from many of our members that the loan forgiveness process is still in need of administrative simplification and there has been an inconsistency in the length of time SBA is taking to administer forgiveness and to review denials.

Additionally, with PPP funding nearing its end, we believe it is important for the SBA to be very transparent on the amount of remaining funds, so lenders and borrowers have realistic expectations. We also believe that Congress should consider other methods to continue to help small businesses post-PPP, such as legislation to exclude credit union member business loans made in response to COVID-19 relief from the credit union member business lending (MBL) cap. We urge you to support H.R. 1471, the *Access to Credit for Small Businesses Impacted by the COVID–*

19 Crisis Act of 2021, introduced earlier this year by Representatives Brad Sherman (D-CA) and Brian Fitzpatrick (R-PA). Additionally, National Credit Union Administration (NCUA) Board Chairman Todd Harper and Board Member Rodney Hood have voiced their support for MBL cap relief as a step to make it easier for credit unions to do more to help small businesses in light of the pandemic. We urge Congress to act on this commonsense proposal to extend longer term liquidity to small businesses without costing the taxpayer.

We thank you for the opportunity to reiterate our perspective on the important work the SBA has been doing in advance of this hearing. Should you have any questions or require any additional information, please contact me or Lewis Plush, NAFCU's Associate Director of Legislative Affairs, at lplush@nafcu.org.

Sincerely,

Brad Thaler
Vice President of Legislative Affairs

cc: Members of the House Small Business Committee