

Congress of the United States
House of Representatives
Washington, DC 20515-3601

July 16, 2020

The Honorable Steven T. Mnuchin
Secretary
U.S. Department of the Treasury
1500 Pennsylvania Avenue, N.W.
Washington, DC 20220

The Honorable Jovita Carranza
Administrator
Small Business Administration
409 3rd Street, SW
Washington, DC 20416

Dear Secretary Mnuchin and Administrator Carranza,

Thank you for your leadership during this difficult time and your commitment to provide loans for small businesses through the Paycheck Protection Program (PPP) to sustain America's economic engine, small businesses, during the coronavirus pandemic.

We are writing you today to request your assistance in ensuring seasonal employers are eligible to receive loan modifications as intended by the additional criterion for seasonal employers authorized by the Treasury Department on April 30 (85 FR 23917). Specifically, we request the interim final rule published by SBA on May 19 (Business Loan Program Temporary Changes; Paycheck Protection Program—Loan Increases) (85 FR 29842) be modified to permit a single increase loan modification for seasonal employers whose loans have been previously reported by a lender on SBA Form 1502 and provide continued eligibility for an SBA guarantee for that additional amount.

While we appreciate your flexibility to grant the additional criterion for seasonable employers to utilize to calculate their payroll costs (May 1 – September 15), we are seriously concerned that the overwhelming majority of seasonal employers were immediately disadvantaged by the SBA provision in the May 19 interim final rule that precludes additional disbursements once a Form 1502 has been filed by the lender. As the Treasury Department stated, the objective was to ensure *“that seasonal employers affected by the pandemic are treated even-handedly.”* (85 FR 23918).

Many seasonal employers who applied for PPP loans prior to the April 30 release of the interim final rule on additional criterion, did not receive adequate time to respond and adjust to the new regulations. Additionally, lenders did not have advance guidance about the change and had already filed SBA Form 1502 as required by the SBA, which precluded seasonal employers from additional funds despite a more accurate calculation of payroll costs provided by the April 30 interim final rule.

We understand the need to ensure that funds are available for other small businesses in the PPP and that there may be significant remaining funds available after June 30. We request that you revise the May 19 interim final rule on Loan Increases to allow a seasonal employer to have an additional disbursement notwithstanding a lender's initial filing of SBA Form 1502 and allow remaining funds available on June 30 or later be made available for this purpose.

Thank you for your consideration and we look forward to assisting you in your efforts to protect America's small businesses.

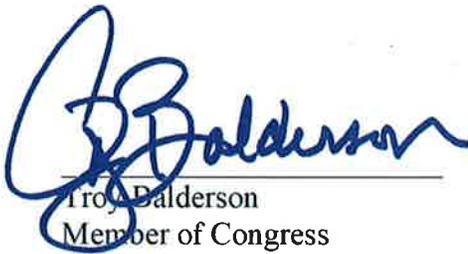
Sincerely,



Kevin Hern
Member of Congress



Jared Golden
Member of Congress



Troy Balderson
Member of Congress



Jim Hagedorn
Member of Congress



Josh Harder
Member of Congress



David Rouzer
Member of Congress



Austin Scott
Member of Congress



Brian Fitzpatrick
Member of Congress



Rick Crawford
Member of Congress



Anthony Brindisi
Member of Congress



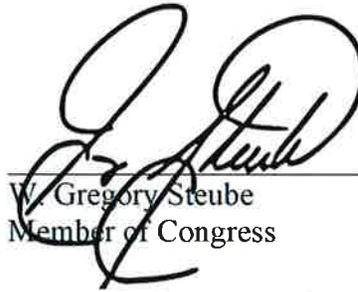
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