



3138 10th Street North
Arlington, VA 22201-2149
703.522.4770 | 800.336.4644
f: 703.524.1082
nafcu@nafcu.org | nafcu.org

National Association of Federally-Insured Credit Unions

April 23, 2020

The Honorable Nydia Velázquez
Chairwoman
Committee on Small Business
U.S. House of Representatives
Washington, D.C. 20515

The Honorable Steve Chabot
Ranking Member
Committee on Small Business
U.S. House of Representatives
Washington, D.C. 20515

Re: SBA's Paycheck Protection Program

Dear Chairwoman Velázquez and Ranking Member Chabot:

I write to you today on behalf of the National Association of Federally-Insured Credit Unions (NAFCU) in conjunction with today's Committee hearing on the *Coronavirus Aid, Relief, and Economic Security Act* (CARES Act) to express our support for Congressional efforts to provide additional funding to the Small Business Administration's (SBA) Paycheck Protection Program (PPP). As you are aware, credit unions are working on the front lines with their members during these times of economic uncertainty. NAFCU advocates for all federally-insured not-for-profit credit unions that, in turn, serve 120 million consumers with personal and small business financial service products.

The successful and popular PPP is vital to our economic recovery from the current pandemic. While the program has seen its share of challenges, it has been an important tool to help sustain small businesses during this emergency. The longer this pandemic goes on, the more strain is being placed on vulnerable Americans. Credit unions appreciate that they were included as lenders under the PPP. Many credit unions have large numbers of pending applications from small business members for PPP loans waiting to be processed and they do not want their members to lose this opportunity as funding runs out. We encourage you to ensure that the PPP has the funding it needs to remain open moving forward.

We were pleased to see that the Senate amendment to H.R. 266, the *Paycheck Protection Program and Health Care Enhancement Act*, included PPP funds set aside for community financial institutions such as credit unions. While this set aside was for institutions that are under \$50 billion in assets, we would also urge you to consider set asides in future PPP funding measures that do not solely rely on asset thresholds, but also consider factors such as type of institution (regardless of asset size), size of loans, and recipients (women-, veteran- minority-owned small businesses). We support broad PPP access and we do not want credit union members to be left behind.

The SBA's PPP and 7(a) programs are important programs for credit unions and their small business members. It is important that Congress ensure that these programs remain fully operational during these uncertain times and act in a timely manner on any uncertainty that occurs. We thank you for the opportunity to share our thoughts and look forward to continuing to work with you on pandemic relief and economic recovery. Should you have any questions or require

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any additional information, please contact me or Lewis Plush, NAFCU's Associate Director of Legislative Affairs, at 703-842-2263 or lplush@nafcuhq.org.

Sincerely,

A handwritten signature in cursive script that reads "Brad Thaler".

Brad Thaler
Vice President of Legislative Affairs

cc: Members of the House Committee on Small Business