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B. Dan Berger
President & Chief Executive Officer

National Association of Federally-Insured Credit Unions

January 12, 2021

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

Dear Administrator Carranza:

On behalf of the National Association of Federally-Insured Credit Unions (NAFCU), I write to thank the Small Business Administration (SBA) for its recent interim final rules regarding the First and Second Draw Paycheck Protection Program (PPP) loans and to urge you to set a dedicated time to process and assist smaller community-based PPP lenders, including all credit unions. NAFCU advocates for all federally-insured not-for-profit credit unions that, in turn, serve 123 million consumers with personal and small business financial service products. NAFCU appreciates the recent announcement that the SBA intends to offer a dedicated window for smaller lenders. NAFCU urges the SBA to work with the U.S. Department of the Treasury to immediately provide additional information about the dates and other relevant information regarding the dedicated window for other community-based financial institutions and asks that that window include all credit unions. This dedicated window is critical for credit unions to continue to provide relief to the communities hardest hit by the COVID-19 pandemic.

From the outset, credit unions have provided PPP loans to the smallest and hardest hit businesses. Moreover, smaller lenders provided the most PPP loans during the initial rounds of funding. The SBA's final PPP report highlights that lenders with less than \$10 billion in assets made approximately 45 percent of all PPP loans in 2020. NAFCU members greatly appreciated the SBA's dedicated window for smaller lenders with less than \$1 billion in assets last year and look forward to another opportunity to access the portal on a level playing field with other, similar institutions.

As the SBA recently announced the re-opening of the PPP portal, the agency provided a dedicated time for community financial institutions (CFIs) that serve underserved small businesses. NAFCU appreciates the SBA's commitment to ensuring underserved small businesses receive the assistance they need during this time. On January 11th, the SBA announced that the agency plans on dedicating specific times to process and assist the smallest PPP lenders with loan applications from eligible small businesses. Providing a dedicated time for credit union lenders after the window for CFIs closes will bolster lending to those truly small businesses. NAFCU asks that the SBA provide lenders with additional information on the dedicated window as soon as possible. This includes explicitly stating when the dedicated window for CFIs ends and the next dedicated

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window for other community-based lenders begins. Credit unions need information regarding the relevant dates and processes and procedures as soon as possible so they may ensure their systems and staff are ready to begin offering First and Second Draw PPP loans.

NAFCU appreciates the SBA's communication so far on relevant information regarding the First and Second Draw PPP loans. Going forward, we ask that you continue to communicate to lenders the delay between submission and approval of PPP loans due to the new safeguards put into place. Clear and timely communication is critical so that lenders are made aware and can notify borrowers of the process.

Thank you for your time and attention to this matter and your continued partnership. If I may be of assistance you in any way, please do not hesitate to contact me directly or Kaley Schafer, Senior Regulatory Affairs Counsel at (703) 842-2249 or kschafer@nafcu.org.

Sincerely,



B. Dan Berger
President and CEO

cc: The Honorable Steven T. Mnuchin, U.S. Department of the Treasury