May 20, 2020

The Honorable Jovita Carranza
Administrator
U.S. Small Business Administration
409 Third Street, SW
Washington, DC 20416

Re: Interim Final Rule:
    # 3 – Business Loan Program Temporary Changes: Paycheck Protection Program –
    Additional Eligibility Criteria and Requirements for Certain Pledges of Loans
    RIN: 3245-AH36 / Docket No. SBA-2020-0020

Dear Administrator Carranza:

The National Association of Government Guaranteed Lenders (NAGGL) is requesting that the comment period on the above-captioned Interim Final Rule (IFR) related to the Paycheck Protection Program (PPP) authorized by the Cares Act, P.L. 116-136, be extended for a period of not less than 60 days.

This extension is necessary and appropriate because, as noted in our comment letters submitted in connection with IFR #s 1 & 2, the sheer volume of guidance issued to date, and the fact that this guidance has been provided on a rolling basis, make it virtually impossible for interested parties to offer meaningful comments on any individual IFR. As of today, formal guidance on the program includes 12 IFRs issued between April 2 and May 18 and a Frequently Asked Questions document (FAQ) consisting of 48 questions and answers added between April 3 and May 19. And, it is our understanding that more guidance is still to come.

Because this same rationale applies to all IFRs, we will be sending similar extension requests for each of those already issued as well as any others that still may be published.

By extending the comment period, the Department of Treasury (Treasury) and the Small Business Administration (SBA) (together the Administration) would enable interested parties to provide meaningful comments taking into account the entire body of regulatory and other guidance that has been, and continues to be, issued. We recognize that this then will become
an after-the-fact commentary on the program requirements but believe that it still will be helpful to the Administration.

In this regard, it is important to note that NAGGL has provided ongoing feedback on PPP since the implementation of the program through telephone conversations with various SBA, and in one case Treasury, officials, as well as written questions, comments, and recommendations. Although providing comments in this more informal manner does not rise to the level of officially commenting on the series of IFRs issued to date, it does provide the Administration with real-time feedback on PPP policies as they are being issued. We recognize that the goal of soliciting comments from the public on any regulation is to obtain meaningful feedback which can improve the proposed rule. We believe our informal communications are more helpful in achieving that goal than providing formal comments on each IFR separately would be since comments provided on each of the IFRs would be too late to allow the Administration to make any necessary clarifications/changes. NAGGL intends to continue providing questions, comments, and recommendations to the Administration as new guidance is issued, and as new issues in program administration come up.

But, while we will not be providing comments on each individual IFR, NAGGL would like to reiterate the over-arching comment that it made in response to IFR #s 1 & 2. In our comment letters dated April 15, 2020 we urged the Administration to find a better, more cohesive way to communicate the PPP guidance and suggested that the Administration suspend activities related to loan reporting, loan cancelations, loan forgiveness, advance purchase, etc., including extending existing deadlines as necessary, in order to provide guidance on all those topics in a single document. We did recommend that loan processing continue through this period. We continue to believe that this approach would give lenders and borrowers a full picture of the program requirements allowing them to make better informed decisions regarding their actions.

As we stated in our earlier letters, NAGGL and the lender community that we represent continue to strongly support PPP. We know how important PPP loans are to the very survival of small businesses located across America, and we know that the Congress and the Administration know that, too. Most importantly, we recognize that all of us – the Congress, the Administration, small businesses, and the lenders seeking to assist them – really are in this together. That is why lenders have worked so hard to understand and appropriately follow the program guidance, despite the fragmentary way in which it has been provided. What we are requesting is only that the Administration recognize how difficult it is for lenders to participate in a program when the requirements are constantly shifting and that it give consideration to
our suggestion regarding the issuance of more cohesive, all-inclusive, guidance to cover the issues that remain outstanding.

Thank you for considering this recommendation, and again, thank you for your continuing support of America’s small businesses during these unprecedented times.

Sincerely,

Tony Wilkinson
President & Chief Executive Officer

cc: William Manger, Chief of Staff and Associate Administrator, Office of Capital Access