

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

Re: Information Surrounding PPP Loan Forgiveness

Dear Administrator Carranza,

I write to you today to ask that the Small Business Administration (SBA) release information surrounding the forgiveness process for recipients of loans from the Paycheck Protection Program (PPP). With rampant instances of abuse and fraud surrounding the PPP, it is essential that the SBA be transparent about loan forgiveness — both the process by which forgiveness is decided and which companies will have their loans forgiven — in order to ensure that funds are distributed equitably and those who need assistance most are able to obtain it.

More than six months since the Coronavirus Aid, Relief, and Economic Security (CARES) Act was passed and two months since the Paycheck Protection Program stopped accepting applicants, details about the program's recipients are still shrouded in secrecy. While the PPP was intended to provide much-needed support to mom-and-pop businesses during the rough economic climate brought on by COVID-19, a lack of transparency and oversight in the program left it open to misuse, abuse, and fraud. The Department of Justice has [charged 60 individuals with fraud](#) related to the PPP — and with the agency reportedly [investigating "several hundred" cases](#) of fraud at present, it's likely that these cases comprise only the tip of the iceberg.

An [extensive report](#) released recently by Accountable.US demonstrates the PPP's shortcomings in providing financial support to the businesses and communities most gravely impacted by the pandemic. Instead of going to small businesses in need of payroll support for their workers, billions were snapped up by companies that double- and [triple-dipped](#) in relief funds, [wealthy corporations](#) and [those with Trump administration connections](#), [fraudsters](#), and more — all while hundreds of small businesses, particularly those in communities of color, were shut out of the program and left to fend for themselves.

For businesses lucky enough to have actually obtained assistance through the PPP, the loan forgiveness process has not been an intuitive one. The intent of the program was to forgive loans at least partially based on the percentage of funds companies put toward payroll. But [reports have shown](#) that business owners found the guidelines surrounding PPP loan forgiveness opaque, confusing, and even contradictory as regulations changed over time. [Banks have complained](#) that the administration has not been detailed enough about the forgiveness process, leaving them in the dark about when they would have funds returned to them.

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And with hundreds of small businesses still [teetering on the brink](#) of permanent closure with no additional relief package in sight, it's more crucial than ever that mom-and-pops are assured they won't have additional debts to pay as they work to keep their operations afloat in the coming months.

As the SBA starts approving requests to convert loans into grants in coming days, it is essential that the agency make the approval process as transparent as possible to ensure that it is equitable and fair. Here is some crucial information that small business owners and the general public should have:

- **HOW IS LOAN FORGIVENESS BEING DECIDED?** Small business owners have thus far been left in the dark about the process the SBA is using when considering whether to approve loan forgiveness. The public deserves to know what guidelines and internal guidance the agency is using to determine companies' eligibility to have their loans converted to grants.
- **WHICH LOANS HAVE BEEN FORGIVEN ALREADY?** Just this week, the SBA announced that it started forgiving loans. In order to ensure proper oversight of the process, the public deserves to know which businesses have had their loans approved for forgiveness and which have been denied.
- **HOW MUCH OF EACH LOAN WAS FORGIVEN?** According to the PPP's terms, only items relevant to business proceedings such as payroll expenses, business mortgage interest payments, business rent or lease payments, and utilities should be eligible for forgiveness. With so many companies [reportedly](#) using PPP money for purposes other than payroll, the SBA must make data public on how much of each loan was forgiven to ensure that companies that used funds for expenses not covered by the program's intended purposes — such as [enriching shareholders](#) or [buying Lamborghinis](#) — are not reimbursed for the spending.
- **HOW LONG ARE BUSINESSES WAITING?** Businesses have already waited months to learn when their loans might be forgiven, with little clear communication on the part of the Trump administration. Business owners should be informed about how long they will have to wait to have their PPP forgiveness applications processed.

With billions of taxpayer dollars on the table in the form of potentially forgivable loans, the Small Business Administration owes it to small business owners and American taxpayers to make this next step in the Paycheck Protection Program more clear, transparent, and equitable than those preceding it.

Thank you for your time and consideration.

Sincerely,
Kyle Herrig
President
Accountable.US