



November 8, 2020

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

RE: SBA-2020-052

Dear Ms. Carranza:

I am writing on behalf of the National Association of Health Underwriters (NAHU), a professional association representing over 100,000 licensed health insurance agents, brokers, general agents, consultants and employee benefits specialists. We are pleased to have the opportunity to respond to the interim final rule titled "Business Loan Program Temporary Changes; Paycheck Protection Program- Additional Revisions to Loan Forgiveness and Loan Review Procedures Interim Final Rules," published in the Federal Register on October 19, 2020.

The members of NAHU work daily to help millions of individuals and employers of all sizes purchase, administer and utilize health insurance coverage. Many of our members are small-business owners and their professional expertise is in the technicalities of health-plan purchasing and administration. Since the start of the COVID-19 pandemic, NAHU members have been working tirelessly to assist companies with employment and benefit-plan issues related to the economic downturn, like helping group benefits clients obtain and facilitate Paycheck Protection Program (PPP) loans. Their work includes helping their clients through the loan-forgiveness process, particularly when it comes to documentation of group health insurance expenses.

Simultaneously, with unemployment on the rise and private health insurance coverage rates dropping, the COVID-19 crisis caused many NAHU members to experience a steep loss in business income. Some of our business-owner members are PPP borrowers themselves.

Our association members appreciate the information the new interim final rule provides about the PPP loan-forgiveness process. This regulation creates a new PPP loan-forgiveness application, Form 3508S, for business owners whose total loan amount is \$50,000 or less. Borrowers that elect to use Form 3508S, as opposed to the other two PPP loan-forgiveness applications authorized by your agency, Form 3508 and Form 3508EZ, will be exempt from specific loan-forgiveness requirements that would otherwise apply. These smaller borrowers, provided that they use the new application form or a lender's equivalent, will not suffer any loan-forgiveness consequences if they reduced the number of full-time-equivalent



employees or reduced employee salaries and wages below threshold amounts. Our association applauds the creation of the new forgiveness application form. We agree with your agency that it “strikes an appropriate balanced between the need for simplification in the forgiveness process with the responsibility to protect the integrity of the program and safeguard taxpayer funds.”

A concern that NAHU members have is that your agency is offering this loan-forgiveness simplification only to smaller borrowers that use Form 3508S or a lender equivalent. Estimates indicate that approximately two-thirds of PPP borrowers collected \$50,000 in loan funds. Many of these smaller borrowers have already completed the loan-forgiveness process using the older forms. Still more have loan-forgiveness applications in process with their lenders using the older forms. NAHU members wonder if your agency has any plans to offer forgiveness relief to those borrowers. For example, if a business that borrowed \$50,000 or less completed its forgiveness application earlier this year, and suffered consequences due to reductions in force or employee salaries, could that borrower request an SBA review of its application using the revised forgiveness criteria? Could qualified borrowers with in-process applications switch to Form 3508S midstream? If so, how does the SBA plan to communicate the new standards to borrowers and lenders alike? Does your agency plan to issue more guidance to assist these borrowers and their loan officers? NAHU urges the SBA to do so as soon as possible, both to reduce confusion and ensure that as many businesses as possible can take advantage of the simplified forgiveness process.

The members of NAHU sincerely appreciate the opportunity to express our views about the implementation of the Paycheck Protection Program and what information and clarifications would be helpful for program participants and their professional advisors as they complete the loan-forgiveness process. If you have any questions about our comments or if NAHU can assist as you move forward, please do not hesitate to contact me at either (202) 595-0787 or jtrautwein@nahu.org.

Sincerely,

A handwritten signature in black ink, reading "Janet Stokes Trautwein". The signature is written in a cursive style with a large, looping initial "J".

Janet Stokes Trautwein
Chief Executive Officer
National Association of Health Underwriters