

United States Senate

WASHINGTON, DC 20510

February 10, 2021

Janet Yellen
Secretary
U.S. Department of the Treasury
1500 Pennsylvania Avenue NW
Washington, D.C. 20220

Tami Perriello
Acting Administrator
U.S. Small Business Administration
409 3rd Street, SW
Washington, D.C. 20416

Dear Secretary Yellen and Acting Administrator Perriello:

Throughout the COVID-19 pandemic, the Paycheck Protection Program (PPP) has been a critical lifeline to America's small businesses. As two of the authors of the PPP, we have worked with your agencies to increase the flexibility of this program to meet the needs of the diverse mix of small businesses in our states and across the country. Given the timing of the opening of this current round of the PPP, we are concerned that certain seasonal businesses may not be able to receive the full benefit of this payroll support. We request that you consider regulatory options for allowing those employers who meet the definition of a seasonal employer to elect to delay the start date of their loan forgiveness covered period by at least 30 days, including by relaxing, with regard to seasonal employers, the requirement that lenders must disburse a PPP loan within ten calendar days of the loan's approval.

The PPP was included in the Coronavirus Aid, Relief, and Economic Security (CARES) Act to provide forgivable loans to small employers to help them continue paying their workers and cover certain business overhead expenses. Recognizing that many small businesses continue to face threats to their long-term viability due to COVID-19, we worked with our Senate and House colleagues to ensure the latest emergency coronavirus relief package extended and expanded the PPP. This successful program has provided more than 6 million loans to small employers across the country, including over 34,000 loans in Maine, totaling more than \$2.7 billion, and nearly 31,000 loans in New Hampshire, totaling over \$3.1 billion.

Since the creation of the PPP, we have worked to ensure that the program is flexible enough to meet the needs of America's small businesses. Early on we recognized that certain modifications were needed to enable seasonal employers to benefit from the program in the same way as businesses that operate year-round. In April 2020, the Treasury Department released a rule giving seasonal employers the option to use any consecutive 12-week period between May 1, 2019, and September 15, 2019, to determine their maximum loan amount. The December 2020 coronavirus relief package went further by allowing seasonal employers to calculate their maximum loan amount based on any 12-week period from February 15, 2019 to February 15, 2020.

We advocated for and strongly support this additional flexibility for seasonal employers. Given the January start for re-opening the PPP, we are concerned that seasonal employers whose peak seasons do not commence until the summer months may not be able to receive the full benefit of this payroll support. For example, a Maine or New Hampshire small employer who

applies for a PPP loan now may not fully reopen for business until the last few weeks of their loan forgiveness covered period, even if they elect a 24-week covered period. As you continue to implement this next round of the PPP, we ask that you use your existing authority under the CARES Act and subsequent legislation to allow seasonal employers to delay the start date of their covered period by at least 30 days, including by exploring options, with regard to seasonal employers, for relaxing the ten-day loan disbursement requirement. This additional flexibility for seasonal employers would help ensure they are able to benefit from this relief during the period it is most needed.

We appreciate your immediate attention to this critical issue. Thank you for your work to support our small businesses and their employees during this challenging time.

Sincerely,



Susan M. Collins
United States Senator



Jeanne Shaheen
United States Senator