May 26, 2020

The Honorable Nancy Pelosi
Speaker
U.S. House of Representatives
Washington, DC 20515

The Honorable Kevin McCarthy
Republican Leader
U.S. House of Representatives
Washington, DC 20515

Dear Speaker Pelosi and Leader McCarthy:

On behalf of the International Franchise Association (IFA), the world’s oldest and largest organization representing franchising worldwide, I write to express our strong support for H.R. 7010, the Paycheck Protection Program Flexibility Act. This bipartisan, commonsense legislation will provide thousands of small businesses with meaningful relief as they struggle to survive the pandemic. Due to the importance of this legislation to the franchise community, we designate H.R. 7010 as a KEY VOTE.

Prior to COVID-19, America had 733,000 franchise establishments that employed more than 7.6 million Americans. Results from a recent IFA survey revealed that 74% of franchise businesses in the country are closed due to COVID-19. The Paycheck Protection Program (PPP) has extended a lifeline to many of our members, the vast majority of which are truly small businesses, but the terms have proven to be too inflexible to provide the help they need to weather the economic storm. H.R. 7010 makes bipartisan, commonsense reforms to the PPP, which will: (1) change the program sunset date from June 30, 2020 to December 31, 2020; (2) extend the rehiring deadline for loan forgiveness from 8 to 24 weeks; (3) lengthen the loan maturity date from 2 to 5 years; (4) extend the rehiring deadline to align with the expiration of enhanced Unemployment Insurance; and (5) provide a “Borrower’s Choice” provision, which allows those who received PPP loans prior to enactment to choose for the covered period of their loan to either last 8 weeks or 24 weeks from origination.

Out of all of these provisions, we highlight the urgent need to provide businesses with certainty on the loan forgiveness calculation. At the time of obtaining the PPP loans, significant decisions were made on maintaining employment, and those business owners should be able to rely on the CARES Act. The extension of the 8-week loan forgiveness provision from 8 to 24 weeks is a needed improvement that will be beneficial to many, especially to those concepts that have not been able to open during the initial 8-week period. The added “Borrower’s Choice” provision will accommodate current recipients who have already planned on and anticipate being able to comply with the original terms of the program.
On behalf of the franchising sector, we urge the U.S. House of Representatives to swiftly pass H.R. 7010 in short order. Thank you for considering our views.

Sincerely,

Matt Haller
Senior Vice President of Government Relations & Public Affairs
International Franchise Association

cc: U.S. House of Representatives