

“A Review of PPP Forgiveness”

**Testimony before the Subcommittee on Economic Growth, Tax, and Capital Access of the House
Committee on Small Business**

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Submitted by

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Chairman Kim, Ranking Member Hern, and Members of the Subcommittee—my name is Lynn Ozer and I am the President of Fulton Bank’s SBA lending division. I got my first job at the U.S. Small Business Administration (SBA) out of college, and after five years at the Agency, I began my career in commercial lending with an emphasis on SBA lending. I have been leading SBA lending departments in both large banks, regional banks and community banks ever since. In my current role at Fulton Bank, I oversee all aspects of SBA lending in our bank’s five-state footprint including Pennsylvania, New Jersey, Delaware, Maryland, Virginia, and Washington DC. I am also the past Chairwoman of the National Association of Government Guaranteed Lenders (NAGGL), and in that role, I represented over 800 financial institutions and partners that participate in the 7(a) lending industry. You could say that SBA lending has been one of my life’s passions. I appreciate this opportunity to testify, both in my capacity as a veteran lender and as a voice for the thousands of lenders who stepped up to the plate when asked to be the conduits to deliver critically needed financial assistance to the America’s small businesses in the wake of the COVID-19 pandemic.

The purpose of today’s hearing is to talk about PPP loan forgiveness, but before I can address that topic, I think that it is important for me to provide some background on the program overall. The CARES Act was signed into law on March 27, and just one week later, on April 3, SBA approved the first of what would wind up being more than 5 million PPP loans. My own institution became an active participant in the Paycheck Protection Program (PPP), having approved nearly 11,000 loan for a total of almost \$2 billion. This rapid implementation was unique to SBA lending in many ways, particularly because the program started with the bare minimum of guidance – borrower and lender application forms (issued and then subsequently revised even before the program was implemented), and two Interim Final Rules (IFR) informally published on the Department of Treasury/SBA websites (one IFR on the day before the program was opened for applications, and one on the very day the program opened).

As an experienced 7(a) lender, I was not comfortable with this rollout strategy, but like thousands of our lender counterparts, Fulton Bank’s leadership understood the urgent need for PPP financing. So, based on the statutory language authorizing the program which generally depicted the private sector lender’s role as being a conduit to get federal funds into the hands of businesses that were struggling for their very survival, we all were willing to take it on faith that the necessary guidance to successfully participate in the program would be forthcoming.

But the necessary clear and complete guidance, and quite frankly, the necessary assurances from Treasury/SBA, have never come. And, here I want to stress that despite some of the criticisms that I have regarding the way that PPP was rolled out, I strongly believe that the Administration and the lenders always share the same critically important goal – that is, helping businesses survive during never before seen conditions. We understand that given this dire need that there would be bumps in the road. However, there is a marked difference between bumps in the road and the kind of pervasive confusion and lingering questions that continue to exist six months since the program’s inception. We should be doing everything we can to correct some of the clearly identifiable program shortcomings--specifically the manner in which program guidance has been, and continues to be, provided.

Over the course of the program so far, Treasury/SBA have issued 23 IFRs and 2 separate sets of ever-changing and contradictory Frequently Asked Questions (FAQs), as well as miscellaneous notices and other documents. This is detrimental to the success of the program. In fact, as this Subcommittee turns its attention to oversight of the program, I encourage you to keep in mind that it is this piecemeal approach to guidance which makes it more difficult for both lenders and borrowers to fully comprehend and adhere to program requirements. Lenders and borrowers should not struggle to comply with the requirements of a new and complicated program. Quite simply, we are possibly setting up program participants to fail when guidance is this complicated. And, remembering that I am a very experienced lender, now imagine how other, less experienced, PPP lenders must feel. This problem has plagued the program since its inception and continues even now that we are in the loan forgiveness phase.

There have been other concerns since the program’s start that need to be addressed as well. Lenders’ roles and responsibilities when it comes to verifying borrower-provided information remains murky and should be addressed. Basic eligibility confusion has never been cleared up, especially when it comes to how we define the small business borrower’s need for the PPP loan. Lenders are living with a nerve-wracking proposition that the agencies could require that they return the processing fees they earned in making the loan if the agencies later determine that the borrower is ineligible—but eligibility continues to be confusing and ill-defined. All of these seemingly front-end issues affect the entirety of the program and need to be addressed, especially as Congress debates extending the opportunity to receive a PPP loan or some new product based on the PPP.

Now, allow me to paint a clear picture of what is occurring in the forgiveness process, and to respectfully offer my suggestions for ways that the Congress and the agencies can make program requirements work better for both participating lenders and borrowers. And – much more importantly – I want to highlight the issues that are the most time-sensitive to solve for small businesses, particularly when it comes to making the PPP forgiveness process less burdensome on the businesses that sought much needed government assistance.

So, how is the forgiveness process going? In many ways, there has been little public transparency on the progress of the forgiveness process for the PPP portfolio as a whole. In fact, it was not until just this Monday, September 21, that we learned in a report published by the Government Accountability Office (GAO) just how many forgiveness applications have even been submitted to the SBA as of early September, which amount to 56,000. I believe that number is higher now, but clearly the applications submitted to date represent a tiny minority of the more than 5 million existing PPP loans.

One of the most critical findings in this latest GAO report speaks to the nexus between the concerns regarding incomplete and confusing guidance with the fate of the forgiveness process, concluding:

Since June 2020, the PPP loan forgiveness process has begun, but uncertainty about the lender's role in the process and the complexity of the process could result in additional difficulties and delays for borrowers in obtaining loan forgiveness.

I fully concur with that conclusion.

Early program guidance issued by Treasury/SBA, especially the 1st and 3rd IFRs, generally discussed the forgiveness process, but it was not until May 22 that Treasury/SBA posted to their websites the 14th and 15th IFRs with definitive guidance related to the requirements for loan forgiveness and SBA's review of PPP loans. That guidance was subsequently substantially amended by IFR 20 which was posted on June 22. Then, approximately one month later, on July 23, SBA issued SBA Procedural Notice 5000-20038, *Procedures for Lender Submission of Paycheck Protection Program Loan Forgiveness Decision to SBA and SBA Forgiveness Loan Reviews*. That document was followed by a new set of Forgiveness FAQs

issued on August 4, which was subsequently amended on August 11. To put it simply: forgiveness guidance was issued in the same haphazard, piecemeal way that had occurred on the front end.

The cited notice above provides a high level summary of the detailed information that had previously been included in IFR #s 1, 3, 14, 15, 17, 19 and 20 and in numerous FAQs, the forgiveness application forms, and their accompanying instructions (SBA Forms 3508 and 3508EZ, both as revised on June 16). But the notice also announced the creation of the PPP Loan Forgiveness Platform, administered by a contractor and separate from SBA's E-Tran system, and indicated that the new platform would begin accepting forgiveness applications on August 10. The notice also informed lenders that more guidance would be issued in a variety of ways, including through emails to PPP participant lenders, and in information to be made available via the platform, itself. So, once again, borrowers and lenders did not receive comprehensive guidance on the forgiveness process, but instead were left to shift back and forth through numerous separate documents as they attempted to figure out the rules governing PPP loan forgiveness.

This concern around the ambiguity of the lender's role affecting forgiveness goes beyond just the method by which the guidance was released. In fact, this confusion over the lender's role gets to the heart of the policy included in that guidance that actually deviated from the basic program design contained in the CARES Act. Lenders understood going into delivering PPP loans that the program was a grant program, structured in the form of loans that, if all program requisites were met, would be fully forgiven. The lender's role in the program, as we originally understood it, was relatively limited. Since the program did not require any type of credit analysis, the primary role of the participating lenders was to accept the loan applications, have them "approved" by SBA via entry into the Agency's automated loan system, E-Tran, and provide the loan funding. Lenders had both the network and the capacity to make a quick dent in helping the small business economy in a way that the federal government was simply unable to accomplish. In addition, when it came to the potential stress on the banks' liquidity to provide hundreds of billions of dollars of their own capital to small business borrowers, lenders were assured that the funds that they advanced would be paid back by the government in two seemingly simple ways: either through SBA's "advance purchase" of the loans (that is, payment from SBA to the lender based on the anticipated loan forgiveness amount) or, later in the process, after the borrower had been approved for loan forgiveness.

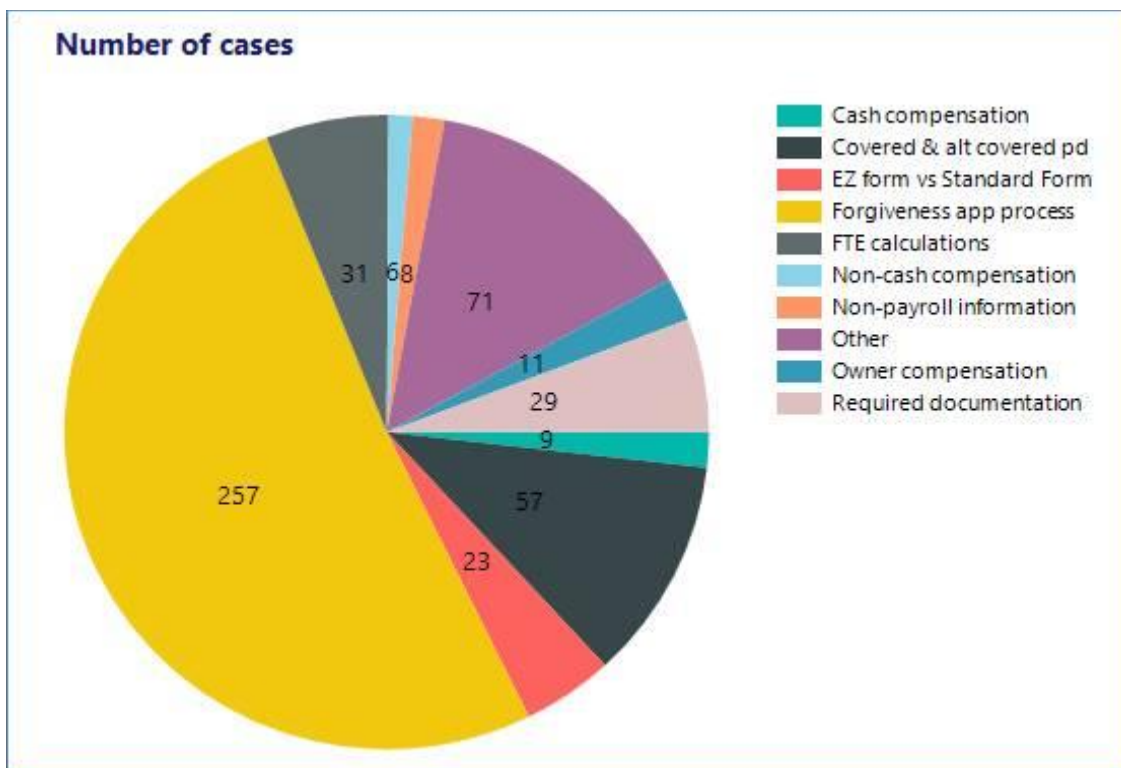
What has actually transpired is something much different. The guidance issued over the past 6 months speaks to the lender taking on a much greater role than ever imagined from reading the CARES Act. Lenders were suddenly thrust into the position of having to verify the accuracy of a borrower's application, and what is more, guidance informed lenders that the very ability for that loan to be forgiven could hinge on this accuracy. With one new IFR issued far beyond mid-way through the process of the majority of PPP loans made, we had gone from conduit to being deeply involved in a process that is fraught with continued question marks.

And when it comes to the issue of bank liquidity, here too have we seen the policy in guidance diverge significantly from the expectations set out in CARES Act. The issue of bank liquidity is centered on the fact that the program's setup hinges on the bank extending its own capital, and being made whole later down the road. The capacity of each bank to extend capital is different for each institution—fortunately Fulton Bank was able to fund our own demand but, some small, community banks and even some regional banks may have found it more difficult to commit the capital necessary to finance a large volume of PPP loans. Except for the limited number of lenders who opted to utilize the Fed facility for financing, which was not an attractive avenue for many institutions to pursue for a number of reasons, the entire funding of PPP loans has been provided solely by PPP lenders. Unfortunately, Treasury/SBA ignored the provisions in CARES Act meant to address liquidity issues for banks and simply never implemented the authorized advance purchase process, which would have likely helped many smaller financial institutions by relieving those lenders from serious stress on their institution's liquidity. And, as far as I know, no loan forgiveness applications have been approved and paid, and SBA has not honored its 100% guaranty on any PPP loan where the borrower business has permanently closed and loan forgiveness will not be sought. In other words, if this country's participating PPP lenders, especially the smallest, are starting to wonder what they just got their institution into from a financial perspective, they would have valid reasons for those thoughts.

All of these lender challenges have a direct consequence on the borrower. But, the small business borrower has concerns of its own. The lender difficulty is magnified many times over when it comes to these small businesses who gratefully accepted government assistance, and now are trying desperately to figure out how to assure that the loans that they believed were intended to be grants will not become

millstones around their necks when they are unable to understand and meet the requirements for loan forgiveness.

To help you better understand how borrowers are trying to muddle through the forgiveness process, it may be helpful for you to hear what Fulton has observed. In order to be responsive to its borrowers, my bank provides a customer service center where PPP borrowers can submit questions regarding the PPP forgiveness process. As of a few days ago, that center had fielded approximately 500 borrower calls with the vast majority of those calls involving questions related to the complex forgiveness application process. The chart below depicts the breakdown of Fulton’s customer inquiries.



Among the most commonly asked questions by the small business borrowers that my institution serves are those related to confusion about the “covered period,” especially the 8 week vs. 24 week length, including questions regarding how the forgiveness process works when the borrower fully utilized its loan proceeds in a period shorter than the full 24-week period. Other areas of serious confusion for borrowers include how to calculate and document payroll expenses, especially for single employee operations, and those businesses that do not directly hire staff, but engage their services as independent

contractors. Many borrowers are concerned about when the safe harbor calculation needs to be performed. One of our borrowers summarized the angst that many PPP borrowers are feeling: *“I have tried, and read many instructions regarding the forgiveness application...but I still find it very confusing. I have even listened to multiple webinars. I would love someone to be able to translate for me and tell me what is best for our company.”* That borrower is not alone – virtually all PPP borrowers share the same concerns – and so do most lenders. What we all want is to understand the PPP forgiveness process in its entirety and to know with some degree of certainty what SBA expects to see from each individual forgiveness applicant. In the traditional SBA lending programs, knowing what is expected of both the lender and the borrower is always laid out for participants; now it seems like that is a request that we just can’t come to expect in the PPP. Quite frankly, understanding program requirements in order to succeed in meeting them should never be a luxury—knowing program requirements should just be considered essential.

The complexity of the forgiveness process is one of the factors that, in my opinion, has resulted in a very low submission rate of forgiveness applications to SBA. Borrowers and lenders simply have been unable to complete the application process because they do not fully understand the requirements for forgiveness, and are reluctant to submit incorrect applications that could cause them to lose the forgiveness to which they are entitled, or worse, get into trouble with the federal government.

But, the complexity of the forgiveness process is only one reason for the low application volume. First, for many borrowers, the covered period has not ended yet, so the borrowers have not yet met the criteria for applying for PPP loan forgiveness. In addition, many PPP borrowers and lenders have seen reports in the media stating that the Congress is considering streamlining the PPP forgiveness process, especially for smaller loans. So, hoping that such reasonable legislation will be enacted, they have been delaying their forgiveness applications in anticipation of being able to follow a much simpler process. As a lender on the frontlines, I have the unfortunate job of having to continue explaining to these borrowers that we just cannot be sure when or if that legislation will ever come—that is not an easy position to be in when the borrower feels desperate in difficult times.

And that brings me to my first suggestion: I urge you to act as quickly as possible to authorize a simplified forgiveness application and approval process for smaller PPP loans. This action alone could

provide enormous relief to PPP borrowers and lenders. And, going one step further, I would like to stress the need to provide prescriptive guidance about what the streamlined process would look like. Providing general guidance that says nothing more than that there should be a simplified process for loan forgiveness or how long the forgiveness application can be will not be enough since that would leave it to Treasury/SBA to implement. This would likely place lenders and borrowers back to where we are today with an unnecessarily complex and burdensome forgiveness process.

We already have seen what happens when Treasury/SBA are permitted to steer the ship when statute is not prescriptive when the agencies attempted to simplify the forgiveness process by issuing the EZForm—which turned out NOT to be easy. In fact, this was not substantive relief for borrowers by any stretch. The EZ Form merely provided only some borrowers with certain business structures a different application form. Here is the formula used, one which we have seen before in past SBA programs that attempted to offer a “simplified” application: boil an application down into small font to squeeze it onto two pages, separate the standard application from all of the convoluted instructions, and then add all of the same pages of instructions onto the application as an “attachment.” Conveniently, it may appear shorter, but in reality, it’s the same exact total length. And, of course, all of the same volumes of documentation were required, an issue that I understand can only be rectified by permitting that simplification in statute. Nevertheless, the EZForm was marketing at its best, not real relief.

My suggestion would be that you consider authorizing a tiered approach to loan forgiveness with separate requirements based on loan size. Under the structure that I envision, PPP borrowers with the smallest loans—I would recommend loans of \$150,000 or less—would be allowed to apply for forgiveness by attesting to their compliance with the PPP loan eligibility and use of funds requirements, and certifying as to the amount of forgiveness that they are entitled to receive. Explicit instruction needs to be spelled out that borrowers in this group would not be required to provide documentation, but would be required to maintain such documentation for a specified period of time so that it could be reviewed on a random basis by the Administration, or in circumstances where the Administration had cause to believe that there were issues with the borrower’s loan or forgiveness eligibility.

Borrowers in the second tier—I would recommend over \$150,000 and equal to or less than \$350,000—would be required to provide minimal information in a very simplified form to support their use of the

PPP loan proceeds, but also would not be required to submit any documentation, which statute should explicitly state, as well. These borrowers would also make the same attestations and certifications as borrowers in the first tier, as well as maintain their documentation so that it would be available for review when appropriate.

Finally, PPP borrowers with loans over a specified size—I would recommend over \$350,000—would be required to submit full documentation as currently required for all PPP forgiveness applications. These borrowers also would be required to make appropriate attestations/certifications regarding their compliance with PPP requirements and the veracity of the information that they are providing to SBA.

In all cases, the Administration would continue the processes that it has in place which are being used to identify fraud or abuse in the PPP program in recognition of the fact that both Congress and the Administration need to be able to conduct appropriate oversight.

In addition, as part of the required legislative change, the Congress also must clarify the role of the lender in the PPP loan forgiveness process—and here too, the legislation needs to be incredibly prescriptive. The GAO has identified the lack of understanding the lender role as a major problem, and I can confirm this first-hand. As I mentioned previously, when lenders jumped into the PPP program relying on the CARES Act language, we saw our role as being conduits to facilitate the flow of government assistance to businesses impacted by the pandemic. We never envisioned a role where we would be responsible for verifying the accuracy of borrowers' forgiveness applications and their accompanying documentation. We have set up a robust plan to do so but, again, this was never anticipated.

And the issues with the lender role go far beyond one of expectations—the lender role as it is currently set out by Treasury/SBA brings with it several inherent conflicts of interest that seem odd not to address immediately. The first of those is that it is in a lender's best interests to get PPP loans fully forgiven by the Administration so that the loan will be fully repaid and the lender will not have any ongoing servicing obligation or, worse, non-performing assets. Asking a lender to look for ways that an application is incomplete or incorrect is tantamount to asking the lender to act against its own interest. Why would the federal government ever ask the private-sector lender who provided the upfront capital

to approve whether the lender themselves gets reimbursed? And, thinking more philosophically, is it really the private-sector lender that we have asked to be the arbiter of the federal government's grant-making?

In addition, in working with their PPP borrowers, lenders are constrained by possible issues of lender liability. This situation could occur if, for example, not fully understanding the PPP forgiveness process, a lender advises a borrower to complete a form or to present back-up documentation in a certain way. If the Administration disagrees with the lender's interpretation and that results in a determination that the borrower is entitled to less than full forgiveness, or, even worse, that the Administration will take some sort of criminal or civil action against the borrower based on its submission.

To avoid these types of serious issues, the Congress needs to fully clarify the role that lenders always understood they would play – that is, that their responsibility in the forgiveness process is to assure that borrowers have all guidance issued by the Administration and that, beyond that, they will be held harmless as to any fraud or errors committed by their PPP borrowers in the PPP documentation, certifications, or applications, whether on the front-end of the application or the back-end of forgiveness. Obviously, lenders' liability for the action of their own institutions and staffs would never be part of what lenders would be held harmless from, nor should it.

And beyond this strengthening of the existing hold harmless section in CARES Act, there needs to be prescriptive language that goes hand-in-hand with the tiered simplified forgiveness process that clearly states that what the lender is expected to do with the forgiveness applications. Based on the expectations set forward in the CARES Act, the glaring, inherent conflict of interest that do not seem to best serve the PPP portfolio, and the liability issues I have laid out above, the lender role in the forgiveness process needs to be explicitly stated in statute to be one of review for completeness of the certifications, applications, or documentation as applicable in each tier, and not one of being a decision-maker or having to independently verify borrower-provided information or its accuracy. Forgiveness—and grant-making—is a government function, not a lender function. If Congress wants to avoid serious conflicts of interest and continue to engage lenders as participants in these types of programs, I would encourage future extensions and programs engage lenders on what we do best—which is to lend, and not act as a stand-in for the federal government.

When it comes to changes in the forgiveness process, without the essential relief for lenders and borrowers that a streamlined forgiveness process for smaller size loans, a clear hold harmless provision, and a clarification on the lender role in the forgiveness process would bring, I do not believe that Congress is setting the program up for success.. The last thing a federal program, centered on forgiveness to help small businesses struggling to survive, should do is make it burdensome for the small businesses to achieve that forgiveness. What then is the point of trying to help these borrowers withstand these difficult times if it is the very aid that is now adding to their long list of concerns?

Another suggestion that I would offer is that the Congress specifically direct Treasury/SBA to provide detailed, comprehensive guidance on the loan forgiveness process. I cannot overstate how helpful it would be to borrowers and lenders if there was a single document that included ALL of the forgiveness requirements. Rather than forcing program participants to compare multiple IFRs, FAQs, and other documentation to find all of the contradictions and corrections within these documents, Treasury/SBA should be required to compile all of the guidance issued so far into a single, cohesive document made available to all PPP borrowers and lenders.

As we talk about where we stand in the forgiveness process, it is important to point out that so far Treasury/SBA have not released any information about its internal forgiveness application review processes, or about where it stands on reviewing the applications that it has received to date. But, based on Fulton's experience and those of the many lenders with whom I exchange information about PPP, I think that it is correct to say that, as of today, SBA has not completed its review and made forgiveness payments to lenders on any of the forgiveness applications that it has received. And while the Agency is authorized to take up to 90 days to complete its review of each forgiveness application, I just cannot see how a relatively small Agency with limited resources is going to manage to get through what could be more than 5 million forgiveness applications in anything resembling a timely manner. If SBA has not been able to make final decisions on the trickle of applications coming in now, we can only imagine what will happen when the likely tidal wave of the remaining 5 million forgiveness applications reaches the Agency. In order for all of us – borrowers, lenders and the Congress – to know what to expect, I also would recommend that the Congress require SBA to publicly share information regarding how it will conduct its internal review processes and to provide data, on an ongoing basis, regarding the

numbers of applications that it has received, as well as the number and dispositions of the applications on which it has taken final action.

Any discussion of PPP forgiveness also must include a discussion regarding what happens to PPP loans during the forgiveness process and then what happens after the forgiveness process is completed—details that still largely have gaping holes in forgiveness guidance and which need to be addressed quickly.

One of the issues that is coming up frequently, even as the forgiveness process is ongoing, is how lenders should handle a situation where the PPP borrower wants to sell the business to a new owner. As I understand it, Treasury/SBA have a notice in process that will provide guidance on how to handle these requests pre-forgiveness. But at this point, lenders are left on their own trying to figure out how to guide borrowers to structure transactions that will enable the borrowers to take the actions that they deem appropriate, while, at the same time, protecting the lender and the government's rights. This is occurring in real time. As I am preparing this testimony, I am making independent decisions so that borrowers can sell their businesses and strike while the offers are in place. They cannot wait for SBA to take their time. As a seasoned lender, we are requiring an escrow account in our bank for the full amount of the PPP loan from the seller. This should be sufficient and does not take weeks to figure out. But Treasury/SBA need to communicate with all participating lenders on their guidance for change of ownership transactions so that no lender is asking a borrower to stand still in their business plans.

An even more important issue that needs to be addressed is what will happen to the loans that remain post-forgiveness. Unlike what we believed when we began this journey, lenders now know that not all loans will be fully repaid via the forgiveness process. Instead, there will be a significant number of loans where the borrowers will not request forgiveness; the forgiveness will be denied in whole or in part; or, a small balance will remain because the borrower also received a grant through SBA's Economic Injury Disaster Loan (EIDL) program, and current PPP requirements specify that the amount of any such grant must be deducted from the forgiveness payment to which the borrower otherwise would be entitled. Collecting the government's receivables was never anticipated, nor should we even have been asked to do so. Lenders need to begin planning now for how they will deal with the PPP loans that will remain even after the forgiveness process is complete. But, unfortunately, so far lenders

have not received any guidance from Treasury/SBA on this issue. We are struggling to understand exactly what will be expected of us when it comes to servicing loans where, because no collateral or personal guaranties were required, the only source of repayment will be from the business itself.

In addition, the issue of how to handle a PPP loan when a borrower has either closed their doors, or, in some cases, had to file for bankruptcy, is not one where making decisions can be postponed by the agencies any longer. My bank, and many of my colleagues' institutions as well, have already received notice from many PPP borrowers in these situations. But inquiries to SBA asking how to handle PPP bankruptcies or how to request that SBA honor its 100% guaranty on a loan where forgiveness will not be requested have gone unanswered. We understand that the Agency is working on loan servicing guidance for PPP loans, but that guidance cannot come soon enough. I would like to ask that you urge Treasury/SBA to provide guidance to address all of these significant outstanding issues as quickly as possible.

Finally, like my colleagues, I have been hearing about various legislative proposals that could extend or supplement PPP. As you are considering such legislation, I just want to interject the caution that, until the issues that I have described are addressed, many lenders may be reluctant to embrace a new or expanded program.

Congress cannot keep asking the very lenders delivering this government aid and the borrowers that so badly need this government aid to operate under this much risk and uncertainty in a program meant to help, not harm. I need to fully and completely understand how the forgiveness process will work, how SBA will honor the guarantees, and what the absent guidance we still need will say in order for my bank to finally be able to tell our borrowers that they are no longer at risk for carrying burdensome debt. I need to understand how this original round of PPP forgiveness will be handled before I can, in good conscience, recommend participating in newly conceived programs. And one can only truly understand why that is after taking the time to understand all of the issues that were present at the front-end of the program and never fixed, as well as the issues that are pervasive in the forgiveness side of the program.

In fact, if we all stopped to really think about the consequences of continuing in expansions or extensions of a program fraught with concerns—concerns that are actually easily fixed with no-cost

adjustments to guidance through statute, I don't think anyone could conclude anything other than the absolute need to address the concerns before engaging lenders and borrowers once again. If not, the smallest lenders could be entirely unable to participate in any other programs—extensions or otherwise—simply because their bank liquidity cannot be stretched any farther given how much capital is tied up in PPP loans. At the very least, all lenders behind closed doors would be reticent to dive into another program after the way in which PPP guidance and implementation was handled. And, most importantly, while there will be many borrowers looking for more aid through PPP or some variation of the program, many borrowers could be understandably shy to participate given the unresolved forgiveness and other program issues that continue to exist.

And while you are considering how to best assist small businesses through the current difficult economic period, I would like to remind you that the best tool available to assist America's small businesses – in good times and in bad – has always been the regular 7(a) guaranteed loan program. Time-after-time, the 7(a) loan program has provided the financial assistance that enabled those businesses to prosper even after terrible events like the 9-11 attacks and the Great Recession. I would urge you to consider making the same temporary enhancement provisions to 7(a), including reducing program fees and increasing loan guaranty percentages, that have previously worked so successfully for the benefit of small businesses. We should not be leaving incredibly powerful tools to help small businesses that are at our disposal.

I am happy to have had this opportunity to share with you my observations on the PPP forgiveness process. In closing, I want to return to where I began and assure you that Fulton Bank and the thousands of other lenders that voluntarily chose to participate in PPP lending fully understand the importance of the program and the relief that it is providing to America's small businesses. We remain committed to helping the country's economy survive and, hopefully thrive, during these unimaginable times. We appreciate all that the Congress and the Administration have done so far and look forward to seeing the additional actions that will make it possible for us all to declare PPP a success. Thank you for your attention today and for all that you do for small businesses every day. Fulton Bank is proud to be a part of these efforts.