



May 15, 2020

The Honorable Jovita Carranza
Administrator
Small Business Administration
409 Third Street SW
Washington, DC 20416

RE: Comments in Response to SBA Notice of Interim Final Rules "Business Loan Program Temporary Changes; Paycheck Protection Program," SBA-2020-0015 (April 15, 2020)

Dear Administrator Carranza:

The American Lung Association appreciates the opportunity to submit comments regarding the Small Business Administration (SBA)'s Paycheck Protection Program (PPP) as created in the CARES Act. While the Lung Association is currently ineligible for the PPP as our organization employs more than 500 people, we are hopeful that Congress will make changes to expand eligibility to include mid-sized nonprofits.

The American Lung Association is the oldest voluntary public health association in the United States, currently representing the more than 35 million Americans living with lung diseases. The American Lung Association is the leading organization working to save lives by improving lung health and preventing lung disease through research, education and advocacy.

As the Small Business Administration continues changes and further implements the PPP, we ask for your consideration of the following comments and suggestions, and refer you to the National Council of Nonprofits for greater detail.

Maturity Dates Regarding PPP Loans: Recognizing the deep fiscal impact the pandemic is having on our nation's economy, the American Lung Association urges the Department of the Treasury (Treasury) and the SBA to change the maturity to ten years, as authorized in the CARES Act. An alternative to that could be pegging maturity to an objective standard of recovery, such as two years after a return to pre-pandemic economic activity.

Commencement of Payments of Principal and Interest: We urge Treasury and SBA to reject the six-month commencement date for paying of principal and interest, and to adopt the one-year rule envisioned by Congress in the CARES Act. Recognizing how deep the economic impact this pandemic is having, the American Lung Association is urging Congress to change the law to defer balance and interest payments for a longer period of time.

Ensuring Capital Is Available to Newly Eligible Nonprofits: We encourage the SBA to reserve a certain portion of its capital to ensure nonprofits are able to access it. During the first round of lending, many nonprofits were not able to access loans. We urge the SBA to take steps to ensure nonprofits have equitable access to the PPP.

Loan Forgiveness is Vital for Nonprofits: Many nonprofits, including the American Lung Association, operate on slim margins and re-invest any additional revenue into research and

program delivery. It is therefore critical that SBA put in place realistic benchmarks for nonprofits to achieve loan forgiveness. While the Lung Association strongly supports and desires to keep our current workforce, the 75%/25% rule should be withdrawn.

Specific Guidance for Nonprofits is Needed: While we appreciate that SBA has had limited experience and interaction with nonprofit organizations, we request Treasury and SBA issue guidance pertaining to eligibility and implementation issues specific to nonprofits.

We recognize the challenges faced by SBA and Treasury with the creation and administration of this new program, and greatly appreciate the time and thought that will help ensure our nation recover from this pandemic – both from a health and fiscal perspective.

Sincerely,

A handwritten signature in black ink, reading "Harold Wimmer". The signature is written in a cursive, flowing style.

Harold P. Wimmer
National President and CEO