

June 8, 2020

The Honorable Marco Rubio  
Chairman  
Committee on Small Business and Entrepreneurship  
United States Senate  
Washington, DC 20510

The Honorable Ben Cardin  
Ranking Member  
Committee on Small Business and Entrepreneurship  
United States Senate  
Washington, DC 20510

Dear Chairman Rubio and Ranking Member Cardin:

On behalf of the American Financial Services Association (AFSA), we commend your conducting a hearing entitled, “Title I of the CARES Act,” and respectfully request that you expand the eligibility of businesses allowed to apply for the Paycheck Protection Program (PPP).

AFSA represents small, community-based traditional installment lenders and small vehicle finance companies. As your committee meets to discuss the implementation of the Coronavirus Aid, Relief, and Economic Security Act (CARES Act), we encourage you to request that the Small Business Administration (SBA) clarify that finance companies with fewer than 500 employees are indeed eligible for PPP loans and loan forgiveness, as intended by the CARES Act.

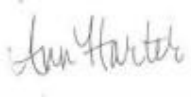
Like other small businesses, many installment lenders and small vehicle companies need money to keep the lights on and pay their employees. Traditional installment lenders provide loans to individuals and families. Their customers are medical technicians, teachers, lawn-service employees, lawyers, stay-at-home parents, childcare workers, and farmers. In short, they are Americans of almost all walks of life and socioeconomic classes. Similarly, smaller vehicle finance companies help increase levels of financial inclusion and mobility. Vehicle ownership increases the number of jobs available to an individual and provide job stability, as well as assisting with day-to-day tasks that are much more difficult without a car, such as grocery store trips, taking children to school, and visiting relatives.

The Department of Homeland Security’s Cybersecurity and Infrastructure Security Agency (CISA) deemed the financial services sector to be a vital component in the nation’s critical infrastructure. Particularly during this time of great uncertainty during the COVID-19 pandemic, these businesses need clear access PPP loans just as other companies do. At times of economic turmoil, access to financial services, particularly for the most vulnerable who may not have banking relationships, is essential to minimizing hardship and setting the stage for eventual recovery.

The CARES Act states that any business with under 500 employees is eligible for loans made under the PPP program. Despite Congress’s clear intent, the SBA has adopted a narrower interpretation, thereby resulting in some SBA lenders questioning the eligibility of vital businesses such as installment lenders and vehicle finance companies. AFSA respectfully requests that your committee clearly reiterate that finance companies are eligible for PPP loans and loan forgiveness in further pandemic stimulus bills. Furthermore, as the SBA testifies before you next week, please take the opportunity to clarify why the SBA has adopted a narrower standard for PPP-eligibility than Congress intended.

Thank you for everything you are doing to help small businesses during this difficult time. AFSA stands ready to assist you as work continues on the next stimulus package. Should you have any questions or if we may be of assistance in any way, please do not hesitate to contact me at [aharter@afsamail.org](mailto:aharter@afsamail.org) or (214) 870-1030. Thank you very much for your time and consideration.

Sincerely,

A handwritten signature in cursive script that reads "Ann Harter".

Ann Harter  
Vice President, Congressional Affairs  
American Financial Services Association