

United States Senate

WASHINGTON, DC 20510

January 28, 2021

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

The Honorable Tami Perriello
Acting Administrator
U.S. Small Business Administration
409 Third Street Southwest
Washington, D.C. 20416

Dear Secretary Yellen and Acting Administrator Perriello:

Thank you for your efforts thus far to administer the Paycheck Protection Program (PPP) so small businesses can continue to obtain the necessary financial relief as our nation continues to recover from the coronavirus pandemic. In response to the interim final rules issued on January 8, 2021, we write to bring your attention to how the rules, as written, may affect some of our nation's producers and their ability to obtain a second draw PPP loan.

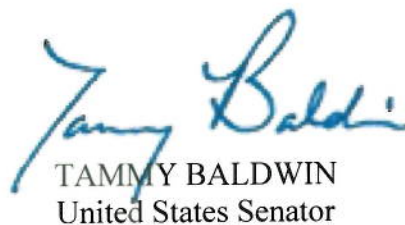
As you both know, the interim final rules establish guidance for how businesses, including self-employed farmers and ranchers, can obtain first and second draw PPP loans. In outlining how businesses must demonstrate a 25 percent reduction in gross receipts in 2020 compared to 2019, the interim final rules state that forgiven first draw PPP loans do not count toward gross receipts. However, they are silent on whether or not Coronavirus Food Assistance Program (CFAP) payments count towards farmers' and ranchers' 2020 gross receipts for purposes of demonstrating a 25 percent reduction in receipts in 2020 compared to 2019.

Recognizing the significant market volatility and financial hardships farmers and ranchers across the country faced because of the coronavirus pandemic, last year Congress provided the U.S. Department of Agriculture (USDA) authority and funding to support producers. As a result, USDA established CFAP, which provided critically needed financial assistance to producers to ensure they were able to continue providing our nation with a safe and abundant food supply. Therefore, we respectfully request that you clarify through additional guidance or an FAQ that CFAP payments provided to farmers and ranchers in 2020 do not count toward gross receipts for purposes of demonstrating a 25 percent reduction in revenue in 2020 compared to 2019.

Thank you for your attention to this request and for your work to assist small businesses. We look forward to seeing clarity on this issue to ensure that farmers and ranchers can obtain a second draw PPP loan.

Sincerely,


JOHN THUNE
United States Senator


TAMMY BALDWIN
United States Senator