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SENATOR

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May 13, 2020

Nancy Pelosi
Speaker of the House
United States House of Representatives
1236 Longworth HOB
Washington DC 20515

Charles Schumer
Minority Leader
United States Senate
Russell Wilson Senate Building
Washington Dc 20515

Dear Speaker Pelosi and Minority Leader Schumer:

First off we'd like to thank you, on behalf of our constituents and all New Yorkers for the work you're doing during the COVID-19 global pandemic.

We write to you today to bring up concerns we have been hearing from small businesses regarding the conditions and terms of the Paycheck Protection Program (PPP). The requirement that businesses allocate 75 percent of the loan money to cover payroll costs, with only 25 percent allowed for other overhead in order for the loan to be converted to a grant, is simply not feasible for many small businesses in areas affected by COVID-19. The terms of the PPP leave only a mere eight weeks to rehire their payroll. For many, this will fall within the month of June when our state will only be in the early phases of reopening. In regions such as New York City that are unable to open up and will have a slow phase in, these restrictions to converting the funds to a loan will not be able to be met and will do further harm to those who will now be saddled with additional debt or forced to lay off their workers again.

Most small businesses that are in the hospitality industry are closed or employing only a skeleton staff as a result of Governor Cuomo's NY PAUSE order. In order for some small business in the hospitality industry to hit the 75% payroll threshold, they would essentially have to pay people for doing nothing in the near term. At the same time, the restaurants are facing other significant costs such as insurance, rent and debt services which payments can not be waived.

We ask that you ease these restrictions to make this program work for those that it was intended for. If you have any questions, please feel free to contact us to discuss ways we can help small businesses across the city and state.

Sincerely,



Andrew S. Gounardes
Member of Senate



Alessandra Biaggi
Member of Senate



Liz Krueger
Member of Senate



Roxanne J. Persaud
Member of Senate



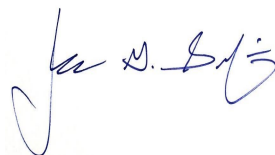
Diane Savino
Member of Senate



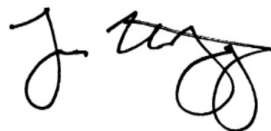
Brian Kavanagh
Member of Senate



Monica Martinez
Member of Senate



James Skoufis
Member of Senate



Jen Metzger
Member of Senate



Timothy M. Kennedy
Member of Senate



Todd Kaminsky
Member of Senate



Felix W. Ortiz
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