April 16, 2020

The Honorable Nancy Pelosi  
Speaker  
H-232, The Capitol  
Washington, D.C. 20515

The Honorable Kevin McCarthy  
Minority Leader  
H-204, The Capitol  
Washington, D.C. 20515

Dear Speaker Pelosi and Leader McCarthy:

As Congress continues our negotiations to craft another legislative package to respond to the impacts of the COVID-19 pandemic, we must include language clarifying the eligibility requirements of the Paycheck Protection Program (PPP) under the Coronavirus Aid, Relief, and Economic Security (CARES) Act. Specifically, Congress must include language to ensure that the employers that are required under the Families First Coronavirus Response Act (FFCRA) to provide paid leave to their employees are also eligible for loans under the PPP.

The FFCRA and the CARES Act both contain provisions that are only applicable to employers with fewer than 500 employees and provide significant new federal benefits to these small businesses and their employees. However, each statute counts employees differently. The FFCRA uses the Fair Labor Standards Act regulations to determine numbers of employees, whereas the Paycheck Protection Program (PPP) under the CARES Act uses SBA regulations for counting employees.

At a time when our small business community needs clarity and guidance from the federal government, these different methods of counting are contributing to significant confusion. Moreover, for some small businesses, these different counting systems are resulting in unfair delays in applying for much needed PPP loans. Streamlined and clear eligibility requirements are a vital first step to safeguarding the fiscal stability of small businesses throughout our country. The alignment of PPP eligibility with the applicability of FFCRA paid leave requirements will help alleviate the concerns of our nation’s small businesses, which are vital to our country and our communities.

Accordingly, we ask that you ensure all businesses required to provide the new FFCRA paid leave are also eligible for PPP loans in any legislative package going forward. This would provide much needed clarity and ultimately work towards ensuring that more of our nation’s workforce remains gainfully employed and our country’s small businesses keep their doors open.
Thank you, Speaker Pelosi and Leader McCarthy, for your consideration of our request, and for your work to address the economic impacts of this pandemic.

Sincerely,

Abigail D. Spanberger
MEMBER OF CONGRESS