May 19, 2020

The Honorable Chip Roy  
1319 Longworth HOB  
U.S. House of Representatives  
Washington, DC 20515

The Honorable Dean Phillips  
1305 Longworth HOB  
U.S. House of Representatives  
Washington, DC 20515

Dear Representatives Roy and Phillips:

On behalf of the International Franchise Association (IFA), the world’s oldest and largest organization representing franchising worldwide, I write to express our strong support for the Paycheck Protection Program Flexibility Act. Your leadership on this bipartisan, commonsense legislation will provide thousands of small businesses with meaningful relief as they struggle to survive the pandemic.

Prior to COVID-19, America had 733,000 franchise establishments that employed more than 7.6 million Americans. Results from a recent IFA survey revealed that 74% of franchise businesses in the country are closed due to COVID-19. The Paycheck Protection Program (PPP) has extended a lifeline to many of our members, the vast majority of which are truly small businesses, but the terms have proven to be too inflexible to provide the help they need to weather the economic storm. Your legislation makes bipartisan, commonsense reforms to the PPP, which will: (1) extend the program to December 31, 2020; (2) extend the rehiring deadline for loan forgiveness from 8 to 24 weeks; (3) extend the loan maturity date from 2 to 5 years; (4) ensures full access to payroll tax deferment for PPP recipients; and (5) extends the rehiring deadline to align with the expiration of enhanced Unemployment Insurance.

Out of all of these provisions, we highlight the urgent need to provide businesses with certainty on the loan forgiveness calculation. At the time of obtaining the PPP loans, significant decisions were made on maintaining employment, and those business owners should be able to rely on the CARES Act. The extension of the 8-week loan forgiveness provision from 8 to 24 weeks is a needed improvement that will be beneficial to many, especially to those concepts that have not been able to open during the initial 8-week period.

On behalf of the franchising sector, we thank you for your strong, bipartisan leadership to address these urgent issues. We stand ready to continue to work with you during this critical moment, and urge the U.S. House of Representatives to swiftly pass this legislation in short order.

Sincerely,

Matt Haller  
Senior Vice President of Government Relations & Public Affairs  
International Franchise Association

cc: U.S. House of Representatives