



May 6, 2020

The Honorable Jovita Carranza
Administrator
U.S. Small Business Administration
409 3rd Street, SW
Washington, D.C. 20416

Re: Paycheck Protection Program Loan Forgiveness Guidance

Dear Administrator Carranza,

On behalf of our member medical group practices, the Medical Group Management Association (MGMA) urges you to immediately release guidance regarding Paycheck Protection Program (PPP) loan forgiveness as required under the Coronavirus Aid, Relief, and Economic Security (CARES) Act (H.R. 748). Section 1106 (“Loan Forgiveness”) of the CARES Act dictates, “Not later than 30 days after the date of enactment of this Act, the Administrator shall issue guidance and regulations implementing this section.” The CARES Act was signed into law on March 27, 2020 and thus the thirty-day mark has since passed without the Small Business Administration (SBA) issuing loan forgiveness guidance.

A recent MGMA survey found that 97% of medical groups have experienced a negative financial impact due to the COVID-19 crisis. Group practices are making good faith attempts to meet the conditions associated with SBA PPP loan forgiveness in anticipation of forgoing repayment. However, our members are reporting they lack adequate guidance on forgiveness requirements. The lack of clear, actionable guidance is impacting their ability to apply loans to payroll costs and therefore it is critical they receive and can understand forgiveness requirements as soon as possible.

MGMA appreciates the guidance SBA has released so far on a variety of PPP issues, but we are concerned about the lack of specific guidance on forgiveness terms. To allow medical groups to best comply with the PPP loan forgiveness requirements, we urge you to expeditiously provide this guidance. If you have any questions, please contact Claire Ernst at cernst@mgma.org or 202-293-3450. Thank you.

Regards,

/s/

Anders Gilberg, MGA
Senior Vice President, Government Affairs