

## Letter to the House and Senate Small Business Committees

March 19, 2024

The Honorable Jeanne Shaheen  
Chairman, U.S. Senate Committee on Small Business & Entrepreneurship

The Honorable Joni Ernst  
Ranking Member, U.S. Senate Committee on Small Business & Entrepreneurship

The Honorable Roger Williams  
Chairman, U.S. House Committee on Small Business

The Honorable Nydia Velázquez  
Ranking Member, U.S. House Committee on Small Business

### **Subject: Urgent Need for COVID EIDL Borrower Assistance**

Dear Chairman Shaheen, Chairman Williams, Ranking Member Ernst, and Ranking Member Velázquez,

I am writing to you on behalf of the more than 33 million small business owners in the United States, who collectively contribute to nearly 44% of the nation's GDP, as well as the nearly 4 million COVID EIDL borrowers. Together with the signatories of this petition, we urge Congress to take bipartisan action to enable either partial or full forgiveness of COVID EIDL loans.

Over \$50 billion has already been made in interest payments toward COVID EIDL loans; Congress can authorize the SBA to apply all past and future borrower payments directly toward the loan principal.

The pandemic led to the shutdown of millions of small businesses across the country. In response, Congress launched several support programs, including the PPP and COVID EIDL, to help those facing sudden drops in revenue. Although PPP loans were forgivable, EIDL loans were not, leaving them as the sole lifeline for many who were ineligible for PPP.

Four years later, the repayment of EIDL loans poses a significant burden on small business owners still recovering from the pandemic's impacts. The SBA reports<sup>1</sup> that 3.9 million COVID EIDL loans totaling \$378 billion were approved, affecting nearly 15% of all U.S. business

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<sup>1</sup> U.S. Small Business Administration (SBA), [SBA Disaster Assistance Update](#) (April 28, 2022)

owners. Despite a 30-month deferment period, the majority are now repaying loans with interest, which has accumulated to about \$50 billion.

The SBA's Hardship Accommodation Plan<sup>2</sup> offers temporary relief, yet the end of the EIDL Goodwill Period<sup>3</sup> has led to many loans being forwarded to the Treasury for collection. While the Small Business Committees<sup>45</sup> have previously advocated for enforcing these collections, we propose that Congress reevaluate this stance and consider authorizing either partial or full forgiveness for COVID EIDL loans.

Granting full forgiveness would significantly aid the nearly 4 million business owners and entrepreneurs, who are driving the US economy forward. Even partial forgiveness — such as the aforementioned waiving of accumulated interest and applying all past and future payments directly to the principal — would offer substantial relief in an equitable manner. We urge your Committees to consider how these changes could benefit the American people, the US economy, and US small business owners and entrepreneurs.

The well-being of small businesses is vital to the nation's economy. We trust in your dedication to supporting small businesses and eagerly await your assistance with the challenges presented by the COVID EIDL program.

Thank you for your attention to this important matter.

Sincerely,

Ryder Pearce  
CEO, Skip (helloskip.com)

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<sup>2</sup> U.S. SBA, [Manage Your EIDL - Program Updates](#) (Accessed Mar 5, 2024)

<sup>3</sup> U.S. SBA, [Small Business Administration Announces Further Action to Help PPP and COVID EIDL Borrowers](#), Press Release 24-01 (Published Jan 5, 2024)

<sup>4</sup> U.S. House of Representatives Committee on Small Business, [Letter to Honorable Isabella Casilla Guzman, Administrator, U.S. SBA](#), (October 18, 2023)

<sup>5</sup> U.S. Senate Committee on Small Business & Entrepreneurship, [Letter to Honorable Isabella Casilla Guzman, Administrator, U.S. SBA](#), (March 29, 2023)