

Congress of the United States
Washington, D.C. 20515

March 24, 2020

The Honorable Mitch McConnell
Majority Leader
322 Hart Senate Office Building
United States Senate
Washington, DC 20510

The Honorable Charles Schumer
Minority Leader
322 Hart Senate Office Building
United States Senate
Washington, DC 20510

Dear Majority Leader McConnell and Minority Leader Schumer,

Thank you for your continued consideration and leadership in seeking to provide a path of economic sustainability for this Nation's small businesses and the American public during the COVID-19 crisis. While the Senate continues negotiating an economic stimulus package, we urge you to increase the small business fund in the CARES Act that franchisees can access to a loan size equal to 4 times their average monthly operating expenses, rather than 2.5 times the average monthly payroll expenses.

There are more than 733,000 franchise establishments, operating in 300 different industries, which support nearly 7.6 million jobs and \$674 billion of economic output for the U.S. economy. Many of them are struggling to retain their valued employees and may only have weeks to survive given the economic effects of this pandemic.

Access to a loan in the amount of 2.5 times their average monthly payroll expenses is not enough for franchisees to keep their doors open. As drafted, the CARES Act does not take into consideration the cost of mortgage payments, rent payments, and payments on other debt obligations. When considering the cost of goods, facilities, salary expenses, insurance, and other overheads, a franchisee could foreseeably still be at a negative cash balance following this legislation's cash infusion, struggling to operate.

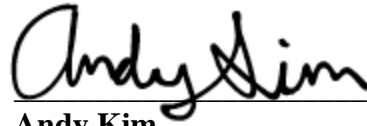
We urge you to increase the loan size to four times the monthly operating expenses, up to \$10 million for franchisees, and increase appropriations for the program to \$500 billion to provide parity with the Treasury Department program for larger businesses. Increasing the maximum loan amount from 2.5 times payroll expenses to 4 times the monthly average operating expenses is necessary to provide support for small businesses that will continue to face prolonged revenue and customer reductions due to the ongoing public health crisis.

Thank you for your continued work and your immediate consideration of these changes to ensure the economic stability of American small businesses who provide much-needed jobs, goods, support, and services to our national economy and local communities.

Sincerely,



Rodney Davis
MEMBER OF CONGRESS



Andy Kim
MEMBER OF CONGRESS



Josh Gottheimer
MEMBER OF CONGRESS



Kevin Hern
MEMBER OF CONGRESS

CC:

The Honorable Nancy Pelosi
Speaker of the House
H-232, United States Capitol
Washington, DC 20515

The Honorable Kevin McCarthy
Republican Leader
H-232, United States Capitol
Washington, DC 20515