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April 8, 2020

The Honorable Steven Mnuchin
Secretary
U.S. Department of the Treasury
1500 Pennsylvania Avenue, NW
Washington, DC 20220

The Honorable Jovita Carranza
Administrator
Small Business Administration (SBA)
409 3rd Street, SW
Washington, DC 20416

Re: 8-Point Plan to Improve the Payroll Protection Program

Dear Secretary Mnuchin and Administrator Carranza:

The Real Estate Roundtable (www.rer.org) fully supports the intent of the Payroll Protection Program (PPP) in the CARES Act, and your agencies' efforts to interpret and implement the program under unprecedented time constraints. The Roundtable shares your goals to get PPP funds to struggling individuals, families and businesses as soon as possible.

However, it is our strong view that the PPP platform needs to be clarified and in some aspects improved to provide the much needed protections for U.S. workers and the businesses that employ them. We accordingly submit The Roundtable's "8-Point Plan to Reform the PPP," attached to this letter.

Payroll support for American workers must go further than what the PPP currently provides. The companies that employ them need more protections to help cover ordinary operating expenses like mortgage payments, rents, utility bills, and other debt obligations. It will do no good to U.S. workers if their employers start going out of business on a massive scale.

Commercial and multifamily rents that are due and owing are not incoming to building owners and managers, because tenants do not have the money right now to meet their leasing obligations. With rent streams across the country dried-up because of the economic fallout from COVID-19, building owners face dire prospects of defaulting on both the payments they owe to cover their mortgages and on the binding covenants in their mortgage contracts. The prospects of "payment default" and "covenant default" are serious, imminent, and real. Foreclosures by lenders upon building owners who go into mortgage default, because rents are not being paid to cover debt service, will be devastating to Main Street U.S.A. and the business community at large

Improvements to the PPP listed below and detailed in the attached "8-Point Plan to Reform the PPP" would significantly help avoid some of these calamitous consequences.

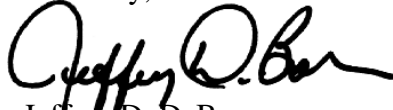
Our suggestions are:

1. Expressly Waive SBA's Business "Ineligibility" Rule Governing its "Regular" Loan Programs, to Give Real Estate and Other Industries Clarity on Their PPP Eligibility.
2. LLPs and LLCs as Duly Formed and Recognized Under State Law Should be Their Own Entity Eligible for PPP Loans.
3. Congress Waived the SBA "Affiliation Rules" Only for Restaurants and Hotels. It Should Not Pick Industry "Winners and Losers," and Should Waive the Affiliation Rules for All Industries.
4. Loan Amounts Should be Calculated Relative to Business "Operating Expenses" — Not Only "Payroll Expenses."
5. SBA and Treasury Should Not Restrict PPP Loans and Forgiven Amounts with a "One Size Fits All" Rule that Limits Coverage for Rent and Other Business Expenses.
6. Property Owners Should Have Flexibility to Work with Their 3rd-Party Management Companies in Counting Workers for the "500-Employee" Threshold.
7. Businesses Should Have Flexibility to Not Count Part-Time Employees in the "500 Cap" — Because if the Cap is Exceeded None of Its Employees Get Payroll Protection.
8. Multifamily Building Owners Should be Eligible for PPP Loans to Help Cover Mortgage Principal — During the CARES Act Period that Tenants Are Protected from Evictions.

We urge Congress and the Administration's agencies to enact these improvements as swiftly as possible.

Thank you for your tireless work on behalf of the American people.

Sincerely,



Jeffrey D. DeBoer
President and Chief Executive Officer