



Dear Members and Advocates:

The deadline to join our [community sign-on letter](#) is extended to Friday, September 25. [Add your organization today](#). As a reminder, the letter calls on Congress to expand eligibility under the PPP to include 501(c)(6) organizations. The letter does not include asks unrelated to the PPP.

As we've [previously reported](#), compromise on the next COVID-19 package remains elusive. That said, Speaker Nancy Pelosi (D-Calif.) recently announced plans to keep the House in session until an agreement is reached. We're still gathering information and will report on any developments.

IF, in the next two weeks, it looks like an agreement is forthcoming, we will give you as much notice as we can before we close the letter.

While every signatory from every state is critically important, if you and/or your organization reside in any of the states below, **please fully consider joining the letter** if you haven't already done so. These states showcase particularly close races in the House and Senate:

- Arizona
- California
- Colorado
- Florida
- Georgia
- Kentucky

- Maine
- Maryland
- Montana
- New York
- North Carolina
- South Carolina

We also encourage you to share this advocacy opportunity with your networks, members and constituencies – the broader our supporting coalition, the bigger impact we will make in Congress.

What Exactly is in the Letter Again?

In addition to providing for 501(c)(6) eligibility on **equitable terms** (e.g., employee caps and eligibility for organizations that lobby), the letter calls on Congress to enact the following PPP-related provisions:

1. Reauthorize the Program until at least March 31, 2021;
2. Include 501(c)(6) nonprofits in the so-called “second draw” program;
3. Expand the definition for eligible “receipts” within the “second draw” program to include in-person event cancellations and lost revenue from certification programs and other education; and
4. Apply lobbying language as outlined in Section 90001 of the *HEROES Act* and included in the broadly bipartisan *Local Chamber, Tourism, and 501(c)(6) Protection Act of 2020* (H.R. 6697).

Clarification on “Second-Draw” Program & Lobbying Language

In case you still have questions, below is a rundown of asks two, three and four in the [letter](#).

“Second-Draw” Program

The so-called “second-draw” program, included in several recent proposals, would allow an organization that already received a PPP loan to receive a second – if it can **demonstrate** enough financial loss. In the most recent Senate Republican proposal, an organization would have to demonstrate a **35-percent financial loss in quarters one and two of 2020 compared to the same period in 2019**.

Currently, Senate language would **prohibit borrowers** from including losses due to **event cancellations or disrupted certification/education programming** in the 35-percent described above. Only one of those functions could comprise a huge portion of an organization's budget. Both? That could drastically limit relief for organizations with real need.

Note: The "second-draw" program would be potentially available to any borrower (e.g., small businesses and 501(c)(3) nonprofits).

Lobbying Language

A main reason we were restricted from the PPP in March was a widespread perception in Congress that 501(c)(6) organizations only exist to influence public policy. We continue to [address this undue mischaracterization](#). And while our community has progressed the PPP issue dramatically, the only way we do make it into the loan program is with *some kind of provision* to address lingering concerns about lobbying.

In short, **the language described in the letter's fourth ask is the cleanest, simplest and most effective way to address certain legislators' concerns**. [This language](#), which would prohibit borrowers from including salaries of all federally registered lobbyists on staff in PPP loan term calculations, has already passed the House. In the Senate, however, [current proposals](#) include lobbying language that could **erroneously exclude small- and medium-sized organizations that don't typically lobby**. At the very least, the Senate language would create significant delays for those who do qualify for a PPP loan.

If you have questions about the letter, please don't hesitate to [email us](#).

Thanks for reading. We greatly appreciate your time. And thank you to the organizations that have signed so far!

Sincerely,

Mary Kate Cunningham, CAE
Vice President of Public Policy

P.S.

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