



**STATE OF NEW HAMPSHIRE
OFFICE OF THE GOVERNOR**

CHRISTOPHER T. SUNUNU
Governor

May 4, 2021

The Honorable Janet Yellen
Secretary of the Treasury
U.S. Department of the Treasury
1500 Pennsylvania Avenue, N.W.
Washington, D.C. 20220

Dear Secretary Yellen:

I am writing on behalf of the State of New Hampshire and the Governor's Office for Emergency Relief and Recovery (GOFERR), an office I created to respond to the economic impacts of the pandemic and to ensure the efficient, effective, and fair distribution of the CARES Act Coronavirus Relief Fund. I am requesting a waiver to any requirement that GOFERR treat more than 50% of Paycheck Protection Program (PPP) payments as revenue in determining what organizations must return part or all of grants under the State's 2020 lost revenue program.

New Hampshire's Main Street Relief Fund

On June 5, 2020, GOFERR began accepting applications for the Main Street Relief Fund (MSRF). MSRF is a 2020 revenue replacement program designed to support New Hampshire for-profit small businesses due to the economic disruption caused by COVID-19. Grants were based on a formula that determined the business' "total qualified loss." That formula – created more than 4 months before FAQ #59 was issued – calculated the business' projected gross loss for 2020 compared to 2019 in part by accounting for 50 percent of PPP awards and 100 percent of all other federal awards received as revenue. Grants were then made based on each business' pro rata share of the fund.

On June 19, 2020, the State began issuing checks totaling over \$340 million dollars to over 5,000 New Hampshire businesses. In other words, New Hampshire was able to provide hundreds of millions of dollars in critical assistance to businesses in a matter of weeks rather than months, at a moment when speed was critical given the severe economic impact of the pandemic last spring. That expedited and targeted approach paid off, with most small businesses remaining in operation and able to avoid permanent closure and layoffs.

FAQ #59 Issued on October 19, 2020 and Waiver Request

On October 19, 2020, Treasury added FAQ #59, requiring the State to "take into account the business' receipt of the PPP or EIDL loan or grant. If the business has received a loan from the

SBA that may be forgiven, the recipient should assume for purposes of determining the business' need that the loan will be forgiven." Fed. Reg. at 4193.

Given the ongoing and past impacts the pandemic has had on state businesses coupled with the timing of the issuance of FAQ #59, GOFERR has determined it would be detrimental to the State and its businesses to change how it accounts for PPP in calculating a grantee's 2020 revenue. As such, the State intends to treat only 50% of PPP as revenue for purposes of determining if a grantee is required to return any portion of a lost revenue grant.

Thus, for the reasons described above, I respectfully request that Treasury waive any requirement that New Hampshire account for more than 50% of a recipient's PPP award.

Respectfully,



Christopher T. Sununu
Governor of New Hampshire