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EQUIPMENT LEASING AND FINANCE ASSOCIATION

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The Honorable Jovita Carranza
Administrator
U.S. Small Business Administration
409 3rd St, SW
Washington DC 20416 (Transmitted Electronically)

Administrator Carranza:

On behalf of the nearly \$1 trillion equipment leasing and finance industry, I am writing today to request that your guidance in implementing the CARES Act provides the access to capital our industry needs during these unprecedented times. A short background about the Equipment Leasing and Finance Association follows this page.

Small equipment finance companies are today processing hundreds, if not thousands, of loan and lease modifications to allow their small business customers to defer payments until the economy can get back on its feet. Many of these companies have payments of their own to make to their creditors, as well as payrolls to manage. These companies are a critical part of keeping the economy functioning today, and getting the economy functioning again once government-mandated business closures start to be lifted. Many of them are small businesses themselves. They provide financing for necessary equipment and capital assets to keep businesses operating and employees of those businesses working. As you know, under the SBA's traditional 7(a) loan program, financial services companies are not eligible for loans under that program. Congress rightfully recognized that today's crisis demands we look beyond traditional solutions to ensure that financing continues to function smoothly and the companies that will facilitate the recovery are ready once the health crisis has receded sufficiently.

These reasons are why Congress specifically expanded the 7(a) program in creating the Paycheck Protection Program. Specifically, the Act indicates that **"any business concern,"** with fewer than 500 employees would be eligible for this program.

Accordingly, we would request that the traditional restrictions on financial services and leasing companies be specifically lifted for participating in the Paycheck Protection Program under the SBA's 7(a) loan program. If a broad exemption for all small financial services firms is not acceptable, we would encourage the exemption be lifted for any financial services company that is not an SBA lender if it meets the 500 or fewer employees test. We believe this is an important step so that these companies can maintain their workforce in order to facilitate the economic stabilization and recovery that is to come in the coming days and weeks.

Please contact Andy Fishburn, ELFA's Vice President of Federal Government Relations, at afishburn@elfaonline.org should you have any questions regarding this request.

Sincerely,

Ralph Petta
President and CEO

BACKGROUND ON ELFA

ELFA is the trade association representing financial services companies and manufacturers in the nearly \$1 trillion U.S. equipment finance sector. Equipment finance not only contributes to businesses' success, but to U.S. economic growth, manufacturing and jobs. Seventy-nine percent of U.S. companies use some form of financing when acquiring equipment, including loans, leases, and lines of credit (excluding credit cards). In 2019, a projected \$1.8 trillion will be invested by U.S. businesses, nonprofits, and government agencies in plant, equipment, and software. Approximately 50%, or \$900 billion of that investment, will be financed through loans, leases and lines of credit. America's equipment finance companies are the source of such financing, providing access to capital.

ELFA represents more than 575 member companies, including many of the nation's largest financial services companies and manufacturers and their associated service providers, as well as regional and community banks and independent, medium, and small finance companies throughout the country. ELFA member companies finance the acquisition of all types of capital equipment and software, including agricultural equipment; IT equipment and software; aircraft; manufacturing and mining machinery; rail cars and rolling stock; vessels and containers; trucks and transportation equipment; construction and off-road equipment; business, retail, and office equipment; and medical technology and equipment. The customers of ELFA members range from Fortune 100 companies to small and medium sized enterprises to governments and nonprofits.

ELFA represents virtually all sectors of the equipment finance market and its members see virtually every type of equipment financing transaction conducted in the United States and every type of funding available to providers of equipment finance. ELFA members who are service providers to the equipment finance industry (such as lawyers, accountants, trustees and vendors) have a unique vantage point of seeing scores of financial transactions from initial concept to final payout and from the perspective of both the borrower/issuer and lender/investor/funding source. ELFA truly is at the heart of equipment finance in the United States and our member companies provide lease, debt, and equity funding to companies of all sizes.