



April 21, 2020

The Honorable Nancy Pelosi  
Speaker of the House of Representatives  
H-232, The Capitol  
Washington, D.C. 20515

The Honorable Charles E. Schumer  
Minority Leader United States Senate  
S-221, The Capitol  
Washington, D.C. 20510

**Re: Immediate request for inclusion of Hispanic-owned businesses and 501(c)(6) Hispanic Chambers of Commerce in COVID-19 stimulus funding in next economic relief package.**

Dear Madam Speaker and Leader Schumer,

On behalf of the United States Hispanic Chamber of Commerce (USHCC), our Board of Directors, the Latino Business Action Network (LBAN), and the Hispanic-owned business community, we are writing to express our recommendations as your committee considers the next phase of stimulus funding to keep the American economy on track during and after the COVID-19 crisis. The number of Latino business owners in the United States continues to grow significantly faster than the U.S. average.<sup>1</sup> Over the past ten years, the number of Latino business owners grew 34%, compared to 1% for all business owners in the United States.

The USHCC actively promotes the economic growth, development and interests of more than 4.8 million Hispanic-owned businesses that aggregately contribute over \$800 billion to the American economy every year. We also serve as a platform for our nationwide network of over 250 local Hispanic Chambers of Commerce.

The following legislative priorities are crucial for the economic success of Hispanic-owned small businesses:

1. **Prioritize Lending for minority and community banks:** Addressing the capital needs and lending abilities of MDIs ([minority depository institutions](#)), Small Business Investment Companies (SBICs), community banks, smaller regional banks, credit unions, and Community Development Financial Institutions (CDFIs). These institutions primarily operate and serve low and minority income communities who have some of the most vulnerable businesses or most established minority business. It is essential that upcoming legislation automatically authorize certified CDFIs as lenders for PPP and include a set aside of at least \$65 billion to be channeled through these CDFIs.
2. **Require the top 15 Financial Institutions who are managing the lending** for the Paycheck Protection Program (PPP) to set aside a certain percentage for Hispanic and Minority-owned small businesses.
3. **Economic Injury Disaster Loan amounts should be based on operating expenses, not number of employees.** Small businesses who have less than ten employees are automatically not eligible for the full amount of economic relief available to medium sized businesses.
4. **Provide Capital Financing for Hispanic-Serving Institution (HSIs):** Expand Section 3512 of the existing CARES Act to include capital financing for Hispanic-Serving Institutions (HSIs). These educational centers create the pipeline of future business owners, entrepreneurs, and executives that will have the ability to actively contribute to the rebuilding and new evolving vitality of the American economy post COVID-19. HSIs should be considered for grant funding in Low-Minority Income Communities (LMIs) to provide necessary technical assistance through existing entrepreneurship, leadership, and business educational centers.

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<sup>1</sup> Stanford Latino Entrepreneurship Initiative 2019 *State of Latino Entrepreneurship Report*.

5. **Provide Mid and long-term liquidity to businesses** assuming a 10% overall EBITDA margin and a conservative 2x leverage, these companies have debt and equity needs of approximately \$65 billion.

<b>Legislative Priority</b>	<b>Dollar Amount</b>
Lending for minority and community banks for Hispanic-Owned Businesses	\$65 Billion
Capital Financing for Hispanic-Serving Institution (HSIs):	\$62 Million
Paycheck Protection Program (PPP)	\$250 Billion
Economic Injury Disaster Relief Loans (EIDL) and Grants	\$120 Billion
Mid and Long-term Liquidity for businesses	\$65 Billion
<b>GRAND TOTAL</b>	<b>\$500 Billion</b>

We commend Congress and the agencies for designing and implementing this emergency loan program during an unprecedented crisis. PPP is a critical first step and has provided vital assistance to hundreds of thousands of businesses in its first few weeks of implementation. We urge Congress to act quickly to strengthen this and other programs to ensure we provide the resources and flexibility needed for Hispanic-owned small businesses to navigate this ongoing economic crisis.

If you have any questions regarding these advocacy recommendations please contact C. LeRoy Cavazos-Reyna, Vice President of Government and International Affairs via email at [LCavazos@ushcc.com](mailto:LCavazos@ushcc.com) or phone at 956-844-9628.

Respectfully,



Ramiro A. Cavazos  
 President & CEO  
 United States Hispanic Chamber of Commerce



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 President & CEO  
 Latino Business Action Network, Stanford University

**CC:** Congressional Hispanic Caucus (CHC)