



April 17, 2020

The Honorable Donald J. Trump
President of the United States
1600 Pennsylvania Ave.
Washington D.C. 20500

Larry Alan Kudlow
Director of the U.S. National Economic Council
Office of White House Policy
Washington D.C. 20500

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

The Honorable Mitch McConnell
Majority Leader United States Senate
S-230, The Capitol
Washington, D.C. 20510

The Honorable Kevin McCarthy
Minority Leader U.S. House of Representatives
H-204, The Capitol
Washington, D.C. 20515

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

The Honorable Marco Rubio
Chairman
U.S. Senate Committee on Small Business & Entrepreneurship
428A Russell Senate Office Building
Washington, D.C. 20515

The Honorable Nydia Velázquez
Chairwoman
U.S. House Committee on Small Business
2361 Rayburn House Office Building
Washington, D.C. 20515

The Honorable Maxine Waters
Chairwoman
U.S. House Committee on Financial Services
2129 Rayburn House Office Building
Washington, D.C. 20515

Secretary Steve Mnuchin
U.S. Department of the Treasury
1500 Pennsylvania Avenue, NW
Washington, D.C. 20220

Administrator Jovita Carranza
U.S. Small Business Administration
409 3rd St. SW
Washington D.C. 20416

Re: Urgent request for immediate additional funding for Paycheck Protection Program (PPP) and Economic Relief Resources for Hispanic and Minority-Owned Small Businesses

Dear President Trump, Speaker Pelosi, Leaders McConnell, Schumer, and McCarthy, Chairman Rubio, Chairwoman Velázquez, Chairwoman Waters, Secretary Mnuchin, Administrator Carranza, and Mr. Kudlow:

On behalf of the United States Hispanic Chamber of Commerce (USHCC) and the Latino Business Action Network (LBAN), we write to request urgent changes to the Paycheck Protection Program (PPP) that will ensure it can serve the immediate needs of deeply affected Hispanic and minority-owned small businesses during this time of unprecedented economic disruption.

We are at the tipping point of a 30-day survival crisis for the majority of small businesses. While the prior programs have been helpful, those funds have not reached a significant portion of our communities, the small businesses that drive the future of our U.S. economy.

Small business is big business. The majority of America's 30 million small businesses are minority and women-owned with 10 or fewer employees. We urge our leadership in the Administration and Congress to enact bipartisan legislation to swiftly provide them the liquidity that they need or else we will lose our small businesses forever from our American economy, and in turn delay the reintegration of our small businesses and the reopening of the U.S. economy.

Today's tragic and staggering unemployment figures underscore the dire need for bridge building to keep more Americans on the job and more businesses afloat during this economic crisis. There is absolutely no excuse for failing to get these funds approved immediately. American minority-owned small businesses, the self-employed, and independent contractors need and expect the type of bipartisan cooperation from Congress that led to the passage and implementation of the CARES Act to boost our economic resiliency, we need that same action again.

Collectively, with other national partner organizations we have granted support to recent actions by the U.S. Small Business Administration, the Federal Reserve and the U.S. Department of Treasury to create lending facilities to provide necessary liquidity to American businesses, individuals, and municipalities throughout our country. Without this critical funding, many businesses will face permanent closure, and the sudden shock caused by this pandemic will further send American business into an economic downturn.

To make PPP more effective in helping Hispanic and Minority-owned small businesses remain open throughout a prolonged crisis, we recommend the following:

- **Prioritize economic relief resources for entrepreneurs who are waiting in line with completed loan applications.** Many of our small business members have followed the instructions set forth by the U.S. Treasury Department and the U.S. Small Business Administration to request economic relief resources and have not received updates on the status of their loans. Our small businesses are waiting for these funds that are needed immediately and every day counts.
- **Prioritize economic relief resources for small businesses with ten (10) employees or less.** True small businesses are being left behind in the rollout of the economic relief resources provided by the CARES Act and will not be able to pay their bills and operating costs. Many small businesses did not receive immediate support in the first release of PPP funds. Expand the advance of \$10,000 to a greater amount so that businesses can have immediate funds to remain open in an immediate 30-day period.
- **Remove funding uncertainty.** Congress should approve such sums as necessary for PPP through the duration of the covered period to eliminate concerns about the first come, first-served program running out of money due to heavy demand.
- **Extend the duration of the program through December 31, 2020.** The covered period for the program is currently set to end on June 30, 2020.
- **Increase borrowing limits so businesses can weather a longer period of lost revenues and operational disruption.** At minimum, borrowers should be able to qualify for a loan that is equivalent to five times the average monthly sum of all covered expenses up to \$25 million.
- **Expand the list of covered expenses.** Covered expenses should include payroll costs, rent, utilities, mortgage interest, mortgage principal, business insurance, and payments on debt incurred prior to the covered period.
- **Extend covered period for loan forgiveness.** PPP currently allows for only eight weeks of covered expenses to be forgiven.
- **Make re-hiring deadline contingent on when the loan commences.** The law currently sets a fixed date of June 30 for re-hiring, which disadvantages borrowers whose loan commenced later in the covered period.
- **Ensure businesses are not penalized if former employees are unwilling to return.** The PPP currently reduces loan forgiveness proportionally for the number of employees not re-hired by the deadline.

Other legislative priorities that are crucial for Hispanic and Minority-owned small businesses:

- **Allocate grants or funding for Public Private Initiatives** that are geared toward the most vulnerable populations (businesses with less than \$2 million in revenue a year).
- **Stimulus Funding for 501(c)(6) organizations for non-profit economic relief:** Propose an amendment to the CARES Act or consider the language under Section 1102 (a) definitions, the term 'nonprofit organization' means an organization that is described in section 501(c)(3) or 501(c)6 of the Internal Revenue Code of 1986. These organizations should be included with parameters around their activity, mission, or number of employees in the entity.
- **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 companies, institutions and banks primarily operate and serve low and minority income communities who have some of the most vulnerable businesses or most established minority business. Legislative action is needed so that these financial institutions can serve their customers, including businesses who may not have existing relationships with traditional financial institutions or lenders, in order to get them the necessary operating capital.
- **Economic Injury Disaster Loan amounts should be based on operating expenses, not number of employees.** Small businesses who have less than 10 employees are automatically not eligible for the full amount of economic relief available to medium sized businesses.

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 program and ensure it provides the resources and flexibility needed for small businesses to navigate this ongoing economic crisis.

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

Respectfully,



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



Mark L. Madrid
President & CEO
Latino Business Action Network, Stanford University

CC: U.S. Federal Reserve Board of Governors
Congressional Hispanic Caucus
California State Congressional Delegation
Florida State Congressional Delegation
New York State Congressional Delegation
Texas State Congressional Delegation