



March 22, 2020

Speaker Nancy Pelosi
United States House of Representatives
H-232, The Capitol
Washington, D.C. 20510

House Minority Leader Kevin McCarthy
United States House of Representatives
2468 Rayburn House Office Building
Washington, D.C. 20510

Re: Small business provisions in COVID-19 relief package

Dear Speaker Pelosi and House Minority Leader McCarthy:

As a leading representative of the 30 million small businesses in America, Small Business Majority writes today to urge you to **ensure grant assistance for small businesses is included in the COVID-19 stimulus relief package, the CARES Act**. We greatly appreciate your leadership in ensuring that coronavirus relief measures move quickly. As legislation is finalized, we feel it's important that you know we are hearing from thousands of small business owners nationwide that what they truly need right now to survive is grant assistance.

Since COVID-19 began to spread further across the U.S. and forced business closures and supply chain disruptions, we have been in constant communication with our network of 58,000 small business owners, our national Small Business Council, business support organizations and other stakeholders that support the small business community. We are hearing countless stories from business owners of forced layoffs and lost revenues, through no fault of their own. They have painted a dire reality of what they are facing and what they have already lost, which requires bold and immediate action to immediately bolster small businesses to prevent further losses and ensure these businesses can reopen.

This is why we believe the relief package currently being debated must include an array of resources and loans to small businesses, but most importantly, it must immediately provide significant and efficient funds to small businesses. Nearly 1,500 small business owners in our network have signed a [letter](#) urging Congress to provide grant assistance to help small businesses recover. To address their needs, **the current stimulus package must be amended to include at least \$250 billion in stimulus relief for the small business community in the form of small business grants**. Anything short of this will slow recovery efforts, fail America's small businesses and their employees, and represent an abdication of duty in supporting those who need our help most right now.

This would ensure small businesses can keep making payroll or rehire employees, open their doors again once the virus has been contained, and avoid mounting debt that has resulted from this unprecedented event. Each day that passes dramatically impacts small business owners and their employees. They need this assistance today, otherwise there won't be any small businesses left to support. We believe these small business grants should include the following provisions:

- Cover small businesses with between 2 to 100 employees.
- Pay up to \$200,000 out of a \$250 billion fund, based on the size of the business.
- The business must show losses of at least 25% for one month due to the outbreak.

We are also urging other critical measures to provide immediate relief to small businesses. The following recommendations, coupled with \$250 billion in small business grants and the small business loan assistance you have proposed, will help small businesses stay afloat:

Unemployment Insurance

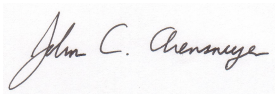
- Pass a moratorium on increasing unemployment insurance (UI) rates so that small businesses do not have to pay higher premiums next year as a result of COVID-19.
- Ensure self-employed individuals have access to UI benefits.

Access to capital

- Provide forbearance on all small business loans, including SBA loans, and credit card payments for at least six months.
- Adjust repayment due dates on property taxes and commercial rent to give small businesses the flexibility they need to stay afloat.
- Pass a minimum of \$250 billion in loan assistance to small businesses, and make sure those loans are immediate. This should include passing the proposed SBA Disaster Grants, expanding existing SBA loan programs, and establishing a new SBA direct lending program, all of which will give small businesses a flexible resource to sustain operations, pay workers, and other COVID-19 related expenses.
- Expand the CDFI Fund to \$1 billion to ensure an infusion of loan dollars that CDFIs can start disbursing into their communities now, particularly for disadvantaged and rural communities.
- Ensure all SBA loans and/or grants awarded to small businesses are quick and immediate so that small businesses are not receiving loans months after an application is submitted.
- Guarantee that all small business financing products are unrestricted so small businesses are able to use the loans to provide employee benefits, pay wages, pay taxes, make telework arrangements, pay rent, refinance existing debt, and more. Loan forgiveness should also be made available to small businesses whether or not they've been forced to lay off employees.
- Pass legislation extending Truth in Lending Act disclosure requirements to small business loans or credit products so that small businesses struggling with cash flow are not taken advantage of during this pandemic, as recommended in the [Small Business Borrowers' Bill of Rights](#).¹

We appreciate your leadership in this important matter. In order to ensure our nation's entrepreneurs are able to reopen and bring their employees back on payroll, it's critical that we provide grant assistance to these businesses.

Sincerely,



John C. Arensmeyer
Founder & CEO

¹ Small Business Borrowers' Bill of Rights, <http://www.borrowersbillofrights.org/>