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UNITED STATES HISPANIC CHAMBER OF COMMERCE

## Technical Assistance Guide PPP Second Draw Loans, PPP for 501(c)(6) Chambers of Commerce, and Additional Relief

*UPDATED: January 2021*

# Technical Assistance Guide Overview

The following is a technical assistance guide developed by the United States Hispanic Chamber of Commerce (USHCC) to help Hispanic and Minority-Owned Small Businesses take full advantage of the U.S. Government's Coronavirus Relief Programs.

This guide contains information on:

- Paycheck Protection Program (PPP) (First and Second Draw Loans)
- Small Business Debt Relief Program
- Economic Injury Disaster Loans (EIDL)
- Small Business Tax Provisions
- Small Business Counseling and Training
- Government Contracting
- Relief for Venue Operators
- Protection Against Scams and Misleading Information

## Our Commitment

The United States Hispanic Chamber of Commerce (USHCC) and our Board of Directors are proactively working with the U.S. Small Business Administration (SBA), the U.S. Treasury Department, and our valued corporate members to help connect our Hispanic and minority-owned small businesses with emergency capital and technical assistance resources to help weather the economic consequences of COVID-19.



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## Paycheck Protection Program (PPP)

# Paycheck Protection Program (PPP)

This program provides cash-flow assistance through 100% federally guaranteed loans to employers who maintain and/or rehire their employees during this emergency. Small businesses and other eligible entities are able to apply if they have been economically harmed by COVID-19.

## Updates:

- The forgiveness process has been simplified.
- The eligible expenses subject to forgiveness have been expanded.
- New entities such as 501(c)(6) Chambers of Commerce can now apply for a PPP loan.
- New guidelines on First and Second Draw PPP Loans.

In order to ensure equitable access to the program, applications from Community Financial Institutions (CFIs) will be given a priority when the PPP First Draw and the PPP Second Draw portal re-opens.

# Paycheck Protection Program (PPP)

A simplified forgiveness application for loans of \$150K and under is being developed by the SBA.

Economic Injury Disaster Loan (EIDL) advances will not be deducted from forgiveness. Furthermore, business expenses paid with forgiven PPP loans will be tax-deductible.

Coverage of forgivable expenses has been extended to the following:

- Payroll costs
- Rent/Mortgage interest
- Utilities
- **Operation expenditures (New)**
- **Property damage costs (New)**
- **Supplier costs (New)**
- **Worker protection expenditures (New)**

# Paycheck Protection Program (PPP)

The following can now apply for PPP First Draw loans:

- Business entities
- Sole proprietors, independent contractors, self-employed individuals
- 501(c)(3)s
- 501(c)(6)s **(New)**
- 501(c)(19)s (Veteran Organizations)
- Tribal businesses
- Housing cooperatives, destination marketing, and eligible news organizations.

The borrower has the option to select a covered period anytime between 8 and 24 weeks after the disbursement.

Certain borrowers may request an increase to their original PPP loan amount.

# Paycheck Protection Program (PPP)

Eligible applicants that did not receive a PPP loan prior to August 8, 2020, will have the ability to apply for a [PPP First Draw Loan](#) on or before March 31, 2021.

Eligible borrowers that previously received a PPP First Draw Loan may apply for a [PPP Second Draw Loan](#) of up to \$2 million with the same general loan terms as their PPP First Draw Loan.

A borrower is eligible for a PPP Second Draw Loan if the borrower:

- Was eligible for and previously received a PPP First Draw Loan;
- Has or will use the full amount only for eligible expenses before the PPP Second Draw Loan is disbursed;
- Has no more than 300 employees; and
- Can demonstrate at least a 25% reduction in gross receipts between comparable quarters in 2019 and 2020.

# Paycheck Protection Program (PPP)

For more details click here:



U.S. Small Business  
Administration

## PAYCHECK PROTECTION PROGRAM (PPP)

Guidance on Accessing Capital for Minority, Underserved, Veteran  
and Women-Owned Business Concerns

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## Small Business Debt Relief Program

# Small Business Debt Relief Program

## SBA Loan Debt Forgiveness

This program provides payment of monthly principal and interest on small business loans guaranteed by the SBA under the following programs:

- 7(a)
- 504
- Microloan programs

Borrowers with loans approved by the SBA prior to the CARES Act will receive an additional three months of payments beginning in February of 2021. Those payments will be capped at \$9,000 per borrower per month.

Additionally, some borrowers will receive an additional five months of payments, including: borrowers with SBA microloans or 7(a) Community Advantage loans or borrowers with any 7(a) or 504 loan in hard hit sectors.

New SBA loans made or approved between December 22, 2020 and September 30, 2021 will receive six months of government payment, principal, and interest, capped at \$9,000 per month.



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**Economic Injury Disaster Loan (EIDL)**

# Economic Injury Disaster Loan (EIDL)

## Economic Injury Disaster Loan (EIDL) Grant Program

These grants provide a forgivable emergency advance of up to \$10,000 to small businesses and private non-profits economically harmed by COVID-19 within three days of applying for an SBA Economic Injury Disaster Loan (EIDL). To access the advance, you first need to apply for an EIDL and then request the advance.

[To apply for an EIDL, click here](#)

The advance does not need to be repaid under any circumstance, and may be used to:

- Keep employees on payroll;
- Pay for employee sick leave;
- Meet increased production costs due to supply chain disruptions;
- Pay business obligations, including debts, rent, and mortgage payments;

New ruling states that the EIDL Advance will have no impact on PPP Loan Forgiveness.



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## Small Business Tax Provisions

## Employee Retention Credit for Employers Subject to Closure or Experiencing Economic Hardship

The Employee Retention Credit (ERC) provides a refundable payroll tax credit for 70% of wages paid by eligible employers to certain employees during the COVID-19 crisis. The credit is available to:

- Employers whose operations have been fully or partially suspended as a result of a government order limiting commerce, travel, or group meetings; or
- Employers who have experienced a greater than 20% reduction in quarterly receipts, measured on a year-over-year basis.

Wages of employees who are furloughed or face reduced hours as a result of their employer's closure or economic hardship are eligible for the credit. For employers with 500 or fewer full-time employees, all employee wages are eligible, regardless of whether an employee is furloughed. The credit is provided for wages and compensation including health benefits and is provided for the first \$10,000 in wages and compensation paid by the employer to an eligible employee.

Employers can now also receive both the Employee Retention Tax Credit and a PPP loan; however, both cannot cover the same payroll expenses.

## Delay in Payment of Employer Payroll Taxes

This provision allows taxpayers to defer paying the employer portion of certain payroll taxes through the end of 2020, with all 2020 deferred amounts due in two equal installments:

- At the end of 2021; and
- At the end of 2022.

Payroll taxes that can be deferred include:

- The employer portion of Federal Insurance Contributions Act (FICA) Taxes;
- The employer and employee representative portion of the Railroad Retirement Taxes (that are attributable to the employer FICA rate); and
- Half of Self-Employed Contributions Act (SECA) Tax Liability.



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# Small Business Counseling and Training

Local Small Business Development Centers (SBDCs), Women's Business Centers (WBCs), and SCORE Mentorship Chapters have received, along with the associations that represent them, additional funds to expand their reach and better support small business owners with counseling and up-to-date information regarding COVID-19 relief.

Find a local resource partner: <https://www.sba.gov/local-assistance/find/>

In addition, the Minority Business Development Agency's Business Centers (MBDCs), which cater to Minority Business Enterprises (MBEs) of all sizes, have also received funds to provide technical assistance programming to help their clients respond to COVID-19.



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**Government Contracting**

If you are a government contractor, there are a number of ways that Congress has provided relief and protection for your business.

Agencies will be able to modify terms and conditions of a contract and to reimburse contractors at a billing rate of up to 40 hours per week of any paid leave, including sick leave.

The contractors eligible, are those whose employees or subcontractors cannot perform work on site and cannot telework due to federal facilities closing because of COVID-19.



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**Relief for Venue Operators**

# Relief for Venue Operators

This year, operators of live venues, live performing arts organizations, movie theatres, museums, theatrical producers, and talent representatives will be able to apply for U.S. Government relief.

Applicants need to have been fully operational as of February 29, 2020 and they need to prove no less than a 25 percent decrease from their gross earned revenue between comparable quarters in 2019 and 2020.

Larger companies that sell tickets for these venues are not eligible for relief grants.

These grants are up to \$10 million and they are calculated in the following way:

- 45 percent of the gross earned revenue during 2019 (for applicants who were in operation on January 1, 2019); and
- The average monthly gross earned revenue for each full month during which the eligible person or entity was in operation during 2019 by six (for applicants who began operations after January 1, 2019).



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# Protection Against Scams and Misleading Information

### Tips on how to avoid scams:

1. The Internal Revenue Service (IRS) will never contact you by telephone, email, text message, or on a social media network;
2. Only use [irs.gov/coronavirus](https://irs.gov/coronavirus) to submit information to the IRS and never in response to a telephone call, text message, or email;
3. You don't have to pay anyone to acquire any U.S. Government stimulus money.

### Health:

1. Ignore online offers for vaccinations. There are no retail products proven to treat or prevent COVID-19 at this time. Please be sure to follow health related guidelines as set forth by the Centers for Disease Control (CDC) and your local and state authorities.

### Donations:

1. Never give donations in the form of cash, gift cards, or money wires.

Click here for more information on how to avoid  
scams and misleading information:





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We encourage our members to contact our team for any additional information, questions you may have, or if we can provide any necessary technical assistance to your business during this time.

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Thank you for supporting the USHCC. Your contributions make our work possible.

If your chamber of commerce would like to become a member of the USHCC, click [here](#).

To make a general contribution, call 202-842-1212 or checks can also be mailed to:

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