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Virginia Restaurant, Lodging & Travel Association Statement on Federal Pandemic Relief Bill

FOR IMMEDIATE RELEASE

Richmond, Va. – December 21, 2020 – Today, Congress unveiled a \$900 billion relief bill to provide short-term economic relief to the country in the face of the coronavirus pandemic. The plan includes several items that will benefit the hospitality and tourism sectors, most importantly a second round of access to the Paycheck Protection Program (PPP), with unique provisions aimed to assist hospitality businesses, which continue to endure unparalleled job and revenue losses.

“From the day Virginia businesses were shut down by the pandemic, the Virginia Restaurant, Lodging & Travel Association (VRLTA) has worked with both the National Restaurant Association, the American Hotel & Lodging Association, and the Asian American Hotel Owners Association to press Congress and the Administration for both long-term and short-term economic support,” said Eric Terry, President of VRLTA. “This bill will help Virginia businesses with much needed capital that will create more time for us to work with Congress to create the additional programs to save our beloved community restaurants, our state’s amazing destinations and attractions, and the wide variety of accommodations across the Commonwealth.”

The plan announced today includes provisions to help businesses and employees, such as:

- **A new round of PPP funding:**
 - Includes additional \$284 billion; businesses can apply for a second round of PPP.
 - The bill designates \$12 billion for minority-owned and very small businesses, and \$15 billion in grants for live venues.
 - Provides a business with a forgivable loan based on 2.5 times its monthly payroll costs. Restaurants and hotels, however, can seek forgivable loans based on 3.5 times monthly payroll costs.
 - Enhanced Access to PPP; today’s plan reflects the reality that many mid-sized and larger restaurant and hotel groups are on the verge of bankruptcy and allows both to qualify for PPP as long as they do not employ more than 300 employees at each physical location.
 - Simplified PPP loan forgiveness application for loans under \$150,000.
 - Expanded list of eligible expenses (now includes software, cloud computing, HR, accounting, property damage not covered by insurance, supplier costs, and PPE).

- Repeals CARES Act provision requiring borrowers to deduct EIDL advance from PPP loan amount.
- Includes funding for Destination Marketing Organizations (DMOs).
- **SBA Programs:**
 - Provides \$20 billion to restart and expand EIDL grant program for small businesses.
 - Creates a process for existing EIDL Advance grantees that received less than \$10,000 to reapply for the difference.
 - Provides \$3.5 billion to resume the principal and interest payments of new and existing loans guaranteed under the 7(a), 504, and Microloan programs.
 - Supplies \$2 billion to enhance the 7(a), 504, and Microloan programs, waives borrower and lender fees within the 7(a) and 504 programs, and increases the 7(a) loan guarantee to 90 percent.
 - Extends the \$1 million loan limit for SBA Express Loans.
 - Establishes a 504 Express Loan program.
- **Debt and tax relief:**
 - Extends CARES Act banking relief through the end of 2021, which will enable hoteliers to seek additional forbearance from their banks on their conventional loans.
 - Allows the deductibility of PPP loans.
 - Expands and extends the Employee Retention Tax Credit through June 2021.
 - 100-percent deduction for business meals paid or incurred in 2021 and 2022.
- **Other key provisions:**
 - Extension of the Pandemic Unemployment Assistance and Pandemic Emergency Unemployment Compensation programs for 11 additional weeks; this includes an additional \$300 per week in unemployment insurance through March 14, 2021.
 - A one-year extension to the time states and localities have to spend previously-received coronavirus relief funds.
 - Stimulus checks up to \$600 per child and adult for individuals making up to \$75,000 per year (same cap as earlier CARES Act); distribution will begin next week.
 - Extension of the moratorium on evictions through the end of January 2021.

“The action taken by Congress today will keep tens of thousands of restaurants from closing in the coming months,” said Tom Bené, President & CEO of the National Restaurant Association. “However, the long-term economic challenges facing independent, franchise, and chain restaurants will not end with the new year, and we will continue to press federal and state leaders for the support that will put us on the road to recovery.”

Chip Rogers, President and CEO of the American Hotel & Lodging Association added, “For months, the hotel industry has been imploring lawmakers to help the people and industries that have been most affected by this crisis. We are pleased to finally see a long-overdue agreement. The legislation contains many of the provisions AHLA has advocated for [and] will provide a critical lifeline for hotels and other businesses that have been decimated by the pandemic.”

President and CEO of the Asian American Hotel Owners Association, Cecil P. Staton, continued, “In these most challenging times for hotels in our nation’s history, we appreciate the bipartisanship displayed by

congressional leadership and members across the country. Today is a big step in the right direction to helping in the survival of the lodging industry.”

VRLTA will continue to advocate for the hospitality and tourism industries at the federal, state and local level.

About Virginia Restaurant, Lodging & Travel Association (VRLTA)

The Virginia Restaurant, Lodging & Travel Association is the only unified voice for the restaurant, lodging, travel and hospitality suppliers associations. VRLTA creates value for members by promoting the legislative interests of the industry, networking, educational opportunities, and protecting free enterprise. Inquiries about membership and VRLTA services should be directed to VRLTA at (804) 288-3065 or VRLTA.org.

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