U.S. SENATOR
GARY PETERS

The American Rescue Plan Act: Supporting Small Businesses

The pandemic has devastated our state's small businesses. As of February 22, 2021, total Michigan small business revenue decreased by 40.1% compared to January 2020.

As of March 14, 2021, over 195,000 Paycheck Protection Program (PPP) loans have been approved, totaling over $21 billion for Michigan small businesses. As we continue to combat the coronavirus, small businesses will face additional costs and challenges as they keep their staff and consumers safe. The American Rescue Plan provides much-needed direct relief to our struggling small businesses.

Support for Small Businesses:

- **Provides an additional $7 billion for the Paycheck Protection Program (PPP)** and expands eligibility for nonprofits and digital news outlets.
- **Adds $15 billion for the Targeted Economic Injury Disaster Loan (EIDL) Advance program** to help the hardest-hit small businesses, including those located in low-income communities and those who previously applied for the EIDL Advance grant but did not receive it.
- **Establishes a $28 billion Restaurant Revitalization Fund,** which will provide grants to help local restaurants keep their doors open and keep their workers employed.
- **Provides an additional $1.25 billion for the Shuttered Venue Operators Grant Program** to support live entertainment venues.
- **Provides $10 billion for the State Small Business Credit Initiative** to help small businesses grow and create jobs.
- **Establishes the Community Navigator pilot program** to improve access to COVID-19 relief, especially for underserved communities.

Expanded PPP Eligibility: This bill expands PPP eligibility to include additional nonprofits such as 501(c)(5) labor and agricultural organizations and community locations of larger nonprofits and provides $7 billion for that purpose. Nonprofits are a significant sector in the economy and are on the frontlines of providing social services during this crisis. An additional $250 million is also provided to expand PPP eligibility for digital news services that provide local news and lifesaving information about public health guidance during the pandemic.

How do I apply?
The SBA guarantees the loans, so borrowers will need to apply through banks, credit unions and other lenders. Simply put, the best thing to do is to contact your lender, whether it is a community bank, credit union, or other financial institution, and inquire about applying for a 7(a) small business loan.

1. Find a lender:

- Get matched with a lender
- Search for lenders in your area

2. Identify a PPP loan type:

- First Draw PPP Loans: If you have not received a PPP loan before, First Draw PPP Loans are available to you.
- Second Draw PPP Loans: If you have previously received a PPP loan, certain businesses are eligible for a Second Draw PPP Loan.

Targeted EIDL Grants: The bill will add $15 billion in new funding for Targeted EIDL grants to provide hard-hit, underserved small businesses with increased flexible grant relief. Eligible recipients can receive up to $10,000 in advance funds if they are a small business located in a low-income community who previously applied for the EIDL Advance grant but did not receive it due to lack of program funding or those who previously received partial funding. These grants will be particularly helpful for very small businesses and sole proprietors, which include over 90 percent of minority-owned businesses that have been disproportionately devastated by this crisis.

You can apply for EIDL loans and Emergency Economic Injury Grants here.

Restaurants: The bill will provide $28.6 billion in direct relief for the restaurant industry through the creation of a grant program as envisioned in the RESTAURANTS Act. The restaurant industry has been among the hardest hit during the pandemic. Over 110,000 restaurants and bars – more than one in six across the country – have closed permanently or long-term, causing the loss of over 2.4 million jobs. It is estimated that independent restaurants – small, mom-and-pop restaurants – lost over $135 billion in sales last year, while the broader industry lost $240 billion. While PPP has offered some vital assistance to the nation's restaurants, a significant need still exists, especially for smaller restaurants.

Shuttered Venue Operators Grant Program: This bill provides $1.25 billion in additional funds for the Shuttered Venue Operators Grant Program because last year's end-of-year package did not include sufficient funding to ensure all eligible applicants would be covered based on rough estimates. Eligible applicants can now access both the Shuttered Venue Operators Grant and PPP to address SVOG's delayed start.

You can find more information on the Shuttered Venue Operators Grant here.

State Small Business Credit Initiative: The State Small Business Credit Initiative (SSBCI) provides investment for state governments to set up programs that can leverage billions of dollars in private capital for low-interest loans and other investment to help entrepreneurs and the small business economy rebound from this crisis. The $1.5 billion in SSBCI in 2010 helped states leverage at least 10 times the amount of their SSBCI funds to generate new small business lending, helping to create or retain over 240,000 jobs. The American Rescue Plan provides $10 billion for the SSBCI to help states support small businesses as they recover from the pandemic and reemerge stronger and more resilient than before. Senator Peters previously led the effort to reauthorize the program in the Senate and championed the original language creating the program in the Small Business Jobs Act of 2010 as a member of the House of Representatives.

Community Navigator Technical Assistance and Administrative Funding: The bill provides $175 million in new assistance to fund community organizations, Small Business Administration (SBA) resource partners, and community financial institutions with experience working in minority, immigrant, and rural communities to serve as community navigators to help connect small business owners in these communities to critical resources, including small business loans, business licenses, and federal, state, and local business assistance programs. The bill also includes $1.325 billion to support SBA's mission and to administer the new grants and other relief programs.