

# SUPPORT SMALL BUSINESS AND PREVENT FORECLOSURES

**The COVID-19 pandemic continues to have a devastating impact on the small business community. Many small businesses are struggling to pay their employees and rent. Commercial property owners cannot pay their mortgage when their small business tenants cannot pay rent. Without swift action, small businesses will fail and foreclosures will skyrocket.**

## **FEDERAL LEGISLATION NEEDED**

The small business community is calling on legislators to provide badly needed relief to property owners and their small business tenants. The following legislation should be enacted:

### **Rent Deferment (Tenant Relief)**

Creates a standardized mechanism for eligible small business tenants, who are leasing commercial property, to elect to defer up to 75% of their base rent for a period of up to six (6) months and (as applicable) to automatically extend their lease through such deferral period. Small businesses will be required to pay the deferred rent over twelve (12) months after the deferral period ends, so they may continue to recover from the pandemic and stay in business.

### **Rent Protection Program (Property Owner Relief)**

Creates a new SBA loan program to provide forgivable loans to eligible small business commercial property owners, who have suffered (or are anticipating suffering) losses from unpaid rents during the 2020 calendar year, to pay related mortgage and certain other permanent expenses. This loan is only forgivable if the property owner uses the funds to pay eligible mortgage and other property expenses and to the extent the property owner does not actually later receive any lost rent.

## **SWIFT ACTION REQUIRED**

It is crucial to protect small businesses facing unprecedented economic hardship. At the same time, we must ensure that property owners do not default on their loans because their business tenants cannot pay rent. The SBAC is drafting legislation that can protect small businesses and property owners. This legislation will prevent devastating foreclosures and help our economy recover from the pandemic.

Legislators should file and quickly pass legislation that will keep small businesses open, property owners solvent and people employed!



**Support the SBAC**