



Hospitality Workforce Relief

1. **Hospitality Workforce Relief Fund** (\$100 billion): Congress should provide grants to businesses for the purpose of employee retention and rehiring. The unemployment rate will dramatically increase in the next month unless Congress prevents millions of hotel workers from being furloughed or laid off. The fund would help employers meet their payroll obligations, slow the growth of rising unemployment numbers, and help keep employees on employer provided health insurance, lessening the impact on the Unemployment Insurance program.
 - **Immediate Action Needed:** Congress should direct the Federal Reserve to use its emergency lending capacity (Section 13(3)) to directly aid the hospitality industry workforce to create the credit capabilities that provide lines of credit to businesses in need and stem unemployment. This has been used by the Fed since the Great Depression and was used many times after the '08 Crisis. The emergency fund should provide grants only for the purpose of employee retention and rehiring.

2. **Provide Flexibility in Lending** (\$50 billion): Congress must act to facilitate forbearance of principal and interest payments on debt during this health crisis. Small business hotel owners that are facing severe economic circumstances who are able to have debt canceled should not be required to pay taxes on this Cancellation of Debt (COD) income.
 - **Immediate Action Needed:** Congress should provide federal funds to cover debt payments during the crisis period, requiring banks to offer loan workouts or by providing payments to lenders to facilitate forbearance options directly to borrowers. Also, Congress can defer tax attributable to COD income.

3. **Access to Loans for Hotel Owners:** Congress must ensure that hotel owners have immediate access to capital to make their payroll and mortgage payments. Congress should establish a voluntary liquidity facility program to provide zero interest in secured/unsecured loans or zero interest secured/unsecured loan guarantees to hotel owners. Many hotel owners do not qualify for small business loans and for those who do, the lending process will take too long to provide meaningful relief.
 - **Immediate Action Needed:** The Treasury Department should provide zero interest unsecured loans or zero interest unsecured loan guarantees to hotel owners. Future federal tax payment obligations for the next two years should be allowed to be used to repay debt purchased by the U.S. government. This could also be extended to existing loans guaranteed by the SBA.