



**BLACK WOMEN'S**  
HEALTH IMPERATIVE

# COVID-19 Relief for Communities of Color: FACT SHEET

May 4, 2020

Since the beginning of the coronavirus pandemic, there have been four pieces of legislation passed and signed into law.

- **The Coronavirus Preparedness and Response Supplemental Appropriations Act**
- **The Families First Coronavirus Response Act**
- **The Coronavirus Aid, Relief and Economic Security (CARES) Act**
- **The Paycheck Protection Program and Health Care Enhancement Act**

The U.S. Congress passed on March 27th a sweeping \$2.3 trillion economic [stimulus package \(section-by-section\)](#) to bolster economic and health care relief to businesses and citizens impacted by the novel coronavirus (COVID-19). The Coronavirus Aid, Relief and Economic Security (CARES) Act includes \$100 billion for the Public Health and Social Services Emergency Fund (PHSSEF) that offers support to funds eligible providers for healthcare-related expenses or lost revenues associated with COVID-19.

On April 24th, the President signed into law legislation providing \$484 billion to increase funding for the small business lending program, support hospitals and expand testing during the coronavirus pandemic.

The legislation includes an additional \$310 billion in funding for the Paycheck Protection Program (PPP), \$60 billion of which is reserved for community banks and small lenders. There is also \$75 billion for hospitals, \$25 billion to support testing efforts, as well as \$60 billion for emergency disaster loans and grants.

This fact sheet is offered to black women, who are also the nation's business owners, employees, students and heads of households. While the information provided is generally available to the range of businesses and families in the U.S., we offer it as a one-stop shop for useful information that is part of national relief for COVID-19. The document also shares meaningful health information to ensure that black women, their families and communities are adequately covered during this global pandemic.

The following list of resources is not exhaustive and serves as an introductory guide to understanding the resources available as the government battles this global pandemic. The fact sheet also includes a comprehensive section on education relief, which will be particularly helpful to students at Historically Black Colleges and Universities (HBCUs).

# Resources for Small Businesses

## Loans, Paycheck Protection and Loan Forgiveness Options

Minority- and women-owned businesses that have under 500 employees are considered a “small business” with some exceptions. Nonprofits and veteran organizations qualify, and since all 50 states have been considered disaster areas, most small businesses qualify for relief administered by the Small Business Administration (SBA). Other individuals and entities are also eligible, including independent contractors and sole proprietorships. Restaurants and hospitality locations with 500 employees on a per-location basis are also eligible for emergency relief

Relief is primarily in loans, which include:

- **Economic Injury Disaster Loans (EIDL)** — The Economic Injury Disaster Loan offers up to \$2 million for working capital, including fixed debt and payroll at interest rates of 3.75% for businesses and 2.75% for nonprofits with a possible 30-year term. Approved entities can also receive a \$10,000 cash advance within three days of their application, which according to the government does not need to be repaid under any circumstance if applied to eligible activities. Those activities include payroll, sick leave, mortgage or rent, and other overhead expenses. The grants are awarded on a first come, first served basis until the \$10 billion fund is exhausted. Applicants do not have to repay the advance even if they are denied the loan.
- **Small Business Administration 7(a) Loans** — The CARES Act provides economic relief to small businesses through SBA loan guarantees and subsidies. The SBA program primarily provides financial assistance to small businesses through the 7(a) loan program, which has been increased by the CARES Act. The increase in maximum funding to 7(a) loans is from \$5 million to \$10 million under the CARES Act. The maximum funding to 7(a) loans has now been authorized from \$5 million to \$10 million. The law also expands eligible uses of 7(a) loans for payroll support, employee salaries, mortgage payments, insurance premiums and any other debt obligations. Eligible applicants are small businesses, nonprofits and veteran organizations with fewer than 500 employees.
- **Paycheck Protection Program (PPP)** — In addition to the EIDL grants and increased SBA 7(a) loans, the CARES Act establishes a third loan program for small businesses called the Paycheck Protection Program (PPP). PPP loans are designed to help small businesses avoid closure or layoffs. The PPP can be used to cover payroll, utilities, insurance premiums, and rent and mortgage interest payments on a facility. The program concludes on June 30, 2020 and is tailored for businesses that typically would not qualify for a traditional loan from a local or national bank. The loans require no collateral, credit test or personal guarantees, only proof that the business was open and operational on February 15, 2020. In order to attract lenders, the government is offering a 100% guarantee on loans through the end of 2020.

***One major note:** This loan could then be forgiven for up to eight weeks of payroll, rent, utilities, and other essential operating expenses. Forgiveness would be reduced proportionally to any layoffs, as well as any reductions in salary above 25%.*

- **SBA Loan Forgiveness** — The CARES Act establishes a forgiveness policy for all loans granted by the SBA as part of the COVID-19 response. All recipients of SBA 7(a) loans—including those granted through the PPP — are eligible for loan forgiveness equal to the amount the borrower spends in the eight weeks after the loan is originated. Loan forgiveness will not apply to income taxes and can be applied to payroll costs up to \$100,000. Employers must also provide payroll information from 2020 and the same time of the previous year to demonstrate wages. Finally, employers will not be penalized for rehiring employees who were recently let go.

## Additional resources for employee retention (small businesses only)

**Grants** — The SBA has other programs that could provide \$10,000 in emergency grants to eligible small businesses to help offset certain operating costs.

**Tax Credits** — Tax credits are also available at this time to compensate employers for half of wages paid to workers (up to \$10,000 in wages per worker).

**For more information on how the CARES Act is supporting small businesses, please visit:**

<https://home.treasury.gov/policy-issues/top-priorities/cares-act/assistance-for-small-businesses>

<https://www.sba.gov/funding-programs/loans/coronavirus-relief-options>

<https://www.nytimes.com/article/small-business-loans-stimulus-grants-freelancers-coronavirus.html>

[https://www.sba.gov/sites/default/files/articles/EIDL\\_and\\_P3\\_4.1.2020\\_FINAL\\_2pm.pdf](https://www.sba.gov/sites/default/files/articles/EIDL_and_P3_4.1.2020_FINAL_2pm.pdf)

<https://disasterloan.sba.gov/ela>

## Resources for Individuals with Student Loans

The Education Stabilization Fund provides \$30.75 billion in relief, divided into three different pools. America's colleges and universities, including HBCU's, impacted by COVID-19 will receive 46% of that funding at \$13.953 billion. This bill reserves 7.5% of that funding to HBCUs/minority-serving institutions at \$1.047 billion.<sup>1</sup> About 50% of the funds will be used for immediate relief from the U.S. Department of Education (DOE), which can be given in the form of direct cash payments made available from the CARES Act.<sup>2</sup> Some colleges and universities also have access to Higher Education Emergency Relief Funds, which provides cash grants to students for expenses related to COVID-19 related educational disruptions, such as course materials, technology, food, housing, health care, and childcare.

In response to the pandemic, DOE has also regressed all federally held student loan interest rates to zero percent, which the CARES Act extends for six months. Borrowers will be allowed to defer student loan payments for 60 days without interest, which will also be extended for six months since the bill's enactment. In addition, all federal wage garnishments and collections actions for borrowers with defaulted, federally backed loans have been stopped temporarily.

For HBCUs, DOE has deferred payments on current HBCU Capital Financing Loans during the national emergency period.<sup>3</sup> Specifically, **Sec. 3512** of the CARES Act requires "the Secretary to make principal and interest payments on these loans during a deferment period in which the institutions are not obligated to make any payments." Certain restrictions placed on grants have been waived on institutional aid packages. The CARES Act also waives certain statutory provisions and reporting requirements for HBCUs during this time.

Below are resources for students and graduates affected by COVID-19.

- **Temporary relief for federal student loan borrowers** — The CARES Act cancels payments for all federal student loan borrowers with Direct Loans and FFEL loans, which are held by the DOE through September 30, 2020. As part of the relief, qualified borrowers will not be required to make any payments toward outstanding interest or principal. The program also suspends interest accrual for such loans for six months. During COVID-19, forced collections, such as garnishment of wages, tax refunds, and Social Security benefits, are prohibited and negative credit reporting stopped during this time period. Student borrowers will continue to receive credit toward Public Service Loan Forgiveness, Income-Driven Repayment forgiveness, and loan rehabilitation. Starting in August 2020, student loan borrowers will receive from DOE notices to inform them that their regular loan payments will resume. These formal notices will offer a transition period for borrowers who will need to get back on track with regular loan payments. When the program resumes, borrowers will be able to enroll in other relief options (such as income-driven repayment).

Generally, the CARES Act includes the following provisions for students: the use of supplemental educational opportunity grants for emergency aid; federal work-study during a qualifying emergency; adjustment of subsidized loan usage limits; exclusion from Federal Pell Grant duration limit; and, institutional refunds and federal student loan flexibility.

### Below is specific information on some of these resources

**Federal Work Study Payments** — Students can still be paid with funding from the CARES Act. Payments may be made to affected work-study students in an amount equal to or less than the amount of wages paid had the students been able to complete the work obligation necessary to receive work study funds. Funds can be distributed as a one-time grant or as multiple payments. Students will need to reach out to their current college or university about this arrangement.

### Additional Student Loan Options

**No Interest on Student Loans** — Interest will be waived on all eligible student loans effective March 13, 2020 and continuing through September 30, 2020.

**Option to Stop Payment on Student Loans** — (DASH) In addition, payments on eligible student loans will be automatically paused through September 30, 2020; borrowers do not need to take any action to receive this benefit. There will be no penalties or late fees assessed.

**Skipped Payments Counted Toward Forgiveness Programs** — (DASH) Borrowers on an income-driven repayment plan may stop payments through September 30, 2020 and still have skipped payments count towards their 20 or 25 years (depending on the plan) of payments.

**Suspension of Student Loan Debt Collection** — (DASH) Debt collection on defaulted eligible student loans has been halted.

**If a student has a private student loan**, you will have to call your loan company directly to find out what options they are making available.

<sup>1</sup> American Council on Education, 2020. Summary of Higher Education Provisions in H.R. 748, The Coronavirus Aid, Relief, and Economic Security (CARES) Act, available at <https://www.acenet.edu/Documents/Summary-CARES-Act-HigherEd-Provisions-032620.pdf>

<sup>2</sup> Carolina Panorama, April 5, 2020. CARES Act to provide \$1 billion in emergency funding to HBCUs, available at [https://www.carolinapanorama.com/hbcus/cares-act-to-provide-1-billion-in-emergency-funding-to-hbcus/article\\_ec4f1402-7777-11ea-861c-7ffb2f25cba.htm](https://www.carolinapanorama.com/hbcus/cares-act-to-provide-1-billion-in-emergency-funding-to-hbcus/article_ec4f1402-7777-11ea-861c-7ffb2f25cba.htm)

<sup>3</sup> The National Review, March 29, 2020. President Trump signs into law the Coronavirus Aid, relief and Economic Security (CARES) Act (Blog), available at <https://www.natlawreview.com/article/president-trump-signs-law-coronavirus-aid-relief-and-economic-security-cares-act>

## Resources for Individuals Experiencing COVID-19 Related Job Losses

### Direct relief payments, expanded unemployment insurance benefits, and food support

- **Direct Payment Relief / CARES Act Compensation** — The CARES Act provides \$1,200.00 in direct cash payment relief to individuals, \$2,400 for married couples; and \$500 per child for eligible applicants. Full payment is available for an individual with income up to \$75,000 and \$150,000 for married couples. For applicants that make over the income caps, the value decreases and then phases out completely. See, **Sec. 2201. 2020 Recovery Rebates for Individuals**
- **Expanded Unemployment Insurance (UI) Benefits** — Expanded unemployment insurance (UI) is also available through the CARES Act, which has allocated \$260 billion to provide a \$600 increase for every recipient to incentivize states' elimination of waiting periods. The support is on top of regular UI compensation. Eligible individuals will be able to collect these monies until July 31, 2020. Once a person's state unemployment benefits are exhausted, she can receive an additional 13 weeks of unemployment insurance benefits. One change in the CARES Act is that part-time, self-employed, freelancers, and gig economy workers are also eligible UI benefits under these provisions.  
**Sec. 2102. Pandemic Unemployment Assistance**  
**Sec. 2104. Emergency Increase in Unemployment Compensation**  
**Sec. 2107. Pandemic Emergency Unemployment Compensation**

## Resources for Individuals and Families Losing Health Insurance

- **COBRA Insurance** — This program allows individuals to maintain health insurance under a former employer's health plan for at least 18 months. However, an eligible applicant will have to pay for all the costs - a former employer isn't required to contribute. Please visit the following website for details: <https://www.healthcare.gov/unemployed/cobra-coverage/>
- **Your Spouse's or Domestic Partner's Insurance Plan** — If you lose your job and your spouse does not, you may be eligible to be added to his/her insurance.
- **Health Insurance Plans Acquired Through the Affordable Care Act (ACA) Marketplace** — Eligibility to obtain health care insurance through the ACA is dependent on your state and your previous health insurance coverage. At this time, the enrollment period for the ACA is closed. However, if you undergo a special enrollment-qualifying event, including the death of a spouse, having a child, or losing your health insurance from your job, then you may be eligible to re-apply for coverage. If you were previously uninsured, you may also be eligible to qualify for an ACA plan, but only through state-run ACA exchanges subjected to a special enrollment period. To date, 11 states and the District of Columbia run their own exchanges. Thirty-nine states have federally-run exchanges and do not have a special enrollment period. Unfortunately, a previously uninsured person who resides in a state with a federally-run exchange cannot sign up for an ACA plan at this time. For the uninsured in these states, Medicaid or a short-term health insurance plan may also be options. Please visit the following website for additional details on eligibility and plans: <https://www.healthcare.gov/>
- **Medicaid** — Medicaid is a program which is jointly operated and funded by the federal government and the states. It provides health coverage to eligible low-income adults, children, pregnant women, and people with disabilities at low or no cost. Individual eligibility is based on income, although other factors are

For more information on how the CARES Act is supporting small businesses, please visit:

<https://www.dol.gov/coronavirus/unemployment-insurance>

Special exceptions have also been made during COVID-19, please visit the following web sites that detail changes for your states:

<https://www.dol.gov/coronavirus/unemployment-insurance>

<https://www.dol.gov/coronavirus/unemployment-insurance#find-state-unemployment-insurance-contacts>

**Food Support** — The CARES Act allocates \$200 million to the Department of Homeland Security (DHS) to support shelter, food, and supportive services for individual and families. It also provides \$450 million for the Emergency Food Assistance Program (TEFAP), which can be accessed immediately.

weighed in the determination. Important provisions, such as, eligibility, rates, services, and the administration of the program are determined at the state level. Currently, 36 states and the District of Columbia have adopted Medicaid expansion in order to provide coverage for more low-income Americans. Therefore, in those expansion states, you may be able to qualify for coverage based solely on your income. While a few states use a different income limit, if your household income is below 133% of the federal poverty level, you may qualify for coverage. Also, in expansion states, it is offered to single, non-disabled individuals who earn \$17,236.00 or less, and \$35,535.00 is the limit for a family of four. There are fourteen states which have not yet expanded the program. In these states, the income requirements may be stricter.

Please check the following websites for details.

<https://www.medicaid.gov/>  
<https://www.healthcare.gov/medicaid-chip/medicaid-expansion-and-you/>

## Resources for Families with Children

- **Healthy Start** — The CARES Act reauthorizes the Healthy Start program to provide additional support for families during the COVID-19 emergency.
- **Head Start** — Resources up to \$750 million were authorized for Head Start to meet emergency staffing needs of approved centers.
- **Supplemental Nutrition Assistance Program (SNAP)** — The CARES Act includes \$15.5 billion in additional funding for SNAP.

SNAP Information and/or How to Apply for Benefits  
<https://www.fns.usda.gov/snap/state-directory>

Food and Nutrition Services (FNS) Regional Offices Contact Information  
<https://www.fns.usda.gov/fns-regional-offices>

- **Child Nutrition Programs** — Relief is also available through child nutrition programs in the amount of \$8.8 billion in additional funding to ensure children receive meals while school is not in session.

### Special Supplemental Nutrition Program for Women, Infants and Children (WIC)

WIC Prescreening Tool and Eligibility  
<https://wic.fns.usda.gov/wps/pages/preScreenTool.xhtml>

How to Apply for WIC Benefits  
<https://www.fns.usda.gov/wic/wic-how-apply>

State WIC Programs and Contacts  
<https://www.fns.usda.gov/contacts?f%5B0%5D=program%3A32>

Food and Nutrition Service Response to COVID-19  
<https://www.fns.usda.gov/disaster/pandemic/covid-19>

- **Temporary Assistance for Needy Families (TANF)** — Funding for the TANF program will be extended through November 30, 2020.

## A FINAL NOTE: KEEP PRACTICING SOCIAL DISTANCING AND FOLLOW THE OTHER CDC GUIDELINES

Historically, Black women have been adversely impacted by federal health care policies. Black people have also experienced disproportionate rates of coronavirus infections, which are largely due to increasing health disparities among them. While these resources will, at best, ensure that black women receive the necessary economic, social and medical supports, it does not address long standing health inequalities that are due to insufficient health care access and treatment. Because people of color are more susceptible to a host of chronic diseases that compromise our immune systems, our number one priority should be to continue social distancing, or staying at home in close proximity to friends and families who are either generally healthy or have been for the last 14-21 days. When mainstream communities catch a “cold,” black women get the “flu” and this global pandemic is indicative that the persistent effects of systemic inequality are prime determinants of our health, wealth and general livelihood — all reasons contributing to our susceptibility to the coronavirus. Our next big agenda at the Black Women’s Health Imperative is to focus on the health and wellness of black communities so that we never find ourselves at the mercy of a highly contagious disease that preys upon our vulnerabilities.

**This is the first in a series of fact sheets designed for Black women and our communities.**

**For more information, please visit our web site: <https://coronavirus.bwhi.org>**



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*These resources are constantly evolving and only current as the date of publication.*