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AHLA SECURES CHANGES TO HOTEL LOAN PROGRAM, UP TO \$2 MILLION PER PROPERTY

AHLA, Biden Administration, SBA Collaboration Expands, Improves EIDL Loan Program

WASHINGTON (August 11, 2021) –The American Hotel & Lodging Association (AHLA), the Biden Administration and the U.S. Small Business Administration (SBA) collaborated over the last several months to expand and improve the SBA’s [Economic Injury Disaster Loan \(EIDL\)](#) program for the hotel industry, which was heavily impacted by COVID 19.

The ongoing dialogue led to an increase in the cap on total loan amounts and a waiver of affiliation rules to ensure hotels can benefit from long term, low interest rates.

AHLA has been working with Biden Administration and SBA officials for months to secure the changes, which would directly benefit hoteliers. The changes, outlined in a special webinar for AHLA members today, include:

- Raising the loan cap to \$2 million per property

- Raising the aggregate loan cap to \$10 million
- Waiving the program's affiliation rules to mirror those of the Paycheck Protection Program
- A low 3.75% interest rate over a 30-year fixed amortization period
- Waiving the credit-elsewhere requirement
- Allowing use of funds to pay down prior commercial debt and to make monthly Principal and Interest payments toward federal debt

The application period for the revised EIDL program begins the week of **August 16**, and AHLA is encouraging members to apply as soon as possible since Congress may attempt to use some of the program's funding to pay for pending legislation. Information on how to apply for the loans is [here](#).

“When we asked the Biden administration and SBA to work with us to provide more help for hoteliers struggling from the pandemic, they made it happen. The culmination of those efforts is EIDL's expansion – a huge step forward for our industry in terms of COVID relief,” **said AHLA president and CEO Chip Rogers**. “The new and improved EIDL program is a fantastic opportunity for hoteliers to access capital to help address commercial debt, operating costs and other expenses as travel slowly returns to pre-pandemic levels. We are grateful to the Biden Administration and SBA for working with us to improve EIDL to better serve hoteliers, who have been left out of other COVID relief programs and are vital to the economic growth of nearly every community around the country.”

COVID-19 is the single worst economic event in the history of the American hotel industry. Despite being among the hardest hit by the pandemic, hotels are the only segment of the hospitality and leisure industry yet to receive direct [COVID-related aid](#).

While the recent uptick in leisure travel for summer is encouraging, it will not offset the nearly 500,000 hotel jobs lost due to COVID. The hotel industry generates 53% of its revenue from business travel and events. According to a recent [Deloitte survey](#), corporate travel is projected to remain at only 30 percent of 2019 levels through the end of 2021. This lack of corporate travel would cost the hotel industry an estimated \$60 billion in 2021, according to leading economists.

About AHLA

The American Hotel & Lodging Association (AHLA) is the sole national association representing all segments of the U.S. lodging industry. Headquartered in Washington, D.C., AHLA focuses on strategic advocacy, communications support and workforce development programs to move the industry forward. In the wake of COVID-19 pandemic, hospitality was the first industry impacted and it will be among the last to recover. That is why AHLA is committed to promoting safe travel while also creating a standardized safety experience nationwide through the Safe Stay initiative. With an enhanced set of health and safety protocols designed to provide a safe and clean environment for all hotel guests and employees, hotels across America are ready to welcome back travelers when they are ready to travel. Learn more at www.ahla.com.

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