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The Honorable Mike Crapo Committee on Banking, Housing, and Urban Affairs United States Senate Washington, DC 20510 The Honorable Sherrod Brown Committee on Banking, Housing, and Urban Affairs United States Senate Washington, DC 20510

May 29, 2020

Dear Chairman Crapo and Ranking Member Brown:

On behalf of the American Council on Education and the undersigned higher education associations, we write in support of the language included in the recently passed H.R. 6800, the Health and Economic Recovery Omnibus Emergency Solutions (HEROES) Act, that would require the Federal Reserve to expand the Main Street Lending Program (MSLP) to nonprofits, including nonprofit private and public institutions of higher education. We urge the Senate to include this language in future COVID-19 legislation, and affirm that institutions and university systems of all sizes are eligible to participate. We also continue to ask that all student workers be exempt from any employee threshold used for eligibility for this or any future loan programs created to address the COVID-19 crisis.

Institutions of higher education, often the largest or one of the largest employers in their local communities, are facing a major cash flow crisis in light of the reduced revenues and increased expenses imposed by the COVID-19 pandemic. For our nation's colleges and universities, access to affordable capital is a necessary lifeline as they navigate the economic fallout from the COVID-19 crisis. Institutions are incurring additional costs to move instruction online, losing substantial auxiliary revenues, and facing a range of further challenges that are unique to each campus. At the same time, many colleges and universities are providing significant refunds of expenses such as on-campus housing and meal plans. Costs have skyrocketed while revenues have plummeted. Looming additional losses for the summer and possibly the fall compound the problem, as well as potentially deep cuts in state funding for public institutions of higher education.

Many of our colleges and universities are seeking low-cost loans to help address the financial impact of the COVID-19 crisis and are interested in accessing the loans created under the CARES Act. However, recent guidance from the Federal Reserve that expanded the Main Street Lending Program also made nonprofits ineligible for the loans¹. Language included in the HEROES Act, Sec. 110604 "Main Street Lending Program Requirements" would require the Federal Reserve to make nonprofit organizations eligible for the program within five days of the legislation's passage.

In addition, for this and the creation of any new loan program with a maximum employee threshold, we ask that student workers be exempt for the purpose of determining the employee eligibility threshold. Institutions of higher education often employ student workers across campus as a part of their overall financial support to help pay for college and provide students

¹ April 30, 2020 Federal Reserve Guidance: https://www.federalreserve.gov/monetarypolicy/mainstreetlending.htm

with work experiences, while keeping them close to campus for the purposes of their education. With the majority of our campuses closed for the spring semester and transitioned to online learning, all or most of these student employees have left campuses and therefore should not be included for the purposes of the employee threshold. Removing student workers from calculations of eligibility for any loan program established to address financial difficulties because of COVID-19 would accurately reflect the size of institutions in their roles as employers and would allow more colleges and universities to access these important loan programs.

We look forward to working with you and your committee as Congress works to support businesses and other organizations and strengthen the economy, including assistance for institutions of higher education, during the COVID-19 crisis.

Sincerely,

Ted Mitchell, President

On behalf of:

ACPA-College Student Educators International

American Association of Colleges for Teacher Education

American Association of Colleges of Nursing

American Association of Collegiate Registrars and Admissions Officers

American Association of Community Colleges

American Association of State Colleges and Universities

American Association of University Professors

American College Health Association

American Council on Education

APPA, "Leadership in Educational Facilities"

Asociación de Colegios y Universidades Privadas de Puerto Rico

Association for Biblical Higher Education

Association of Advanced Rabbinical and Talmudic Schools

Association of American Colleges and Universities

Association of American Medical Colleges

Association of American Universities

Association of Catholic Colleges and Universities

Association of Community College Trustees

Association of Governing Boards of Universities and Colleges

Association of Jesuit Colleges and Universities

Association of Independent California Colleges and Universities

Association of Independent Colleges and Universities in Massachusetts

Association of Independent Colleges and Universities of Pennsylvania

Association of Independent Colleges and Universities of Rhode Island

Association of Independent Colleges of Art & Design

Association of Presbyterian Colleges and Universities

Association of Public and Land-grant Universities

College and University Professional Association for Human Resources

Common App

Conference for Mercy Higher Education

Connecticut Conference of Independent Colleges

Council for Christian Colleges & Universities

Council for Advancement and Support of Education

Council for Higher Education Accreditation

Council for Opportunity in Education

Council of Independent Colleges

Council of Independent Colleges in Virginia

EDUCAUSE

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Georgia Independent College Association

Great Lakes Colleges Association

Hispanic Association of Colleges and Universities

Independent Colleges and Universities of Florida

Independent Colleges of Washington

Iowa Association of Independent Colleges and Universities

Kansas Independent College Association

Louisiana Association of Independent Colleges and Universities

Maryland Independent College and University Association

Minnesota Private College Council

NAFSA: Association of International Educators

NASPA - Student Affairs Administrators in Higher Education

National Collegiate Athletic Association

National Association for College Admission Counseling

National Association of Colleges and Employers

National Association of College and University Business Officers

National Association of Independent Colleges and Universities

Network of Colleges and Universities, Evangelical Lutheran Church in America

North Carolina Independent Colleges and Universities

Oregon Alliance of Independent Colleges & Universities

State Higher Education Executive Officers Association

Tennessee Independent Colleges and Universities Association

Thurgood Marshall College Fund

UNCF (United Negro College Fund, Inc.)

West Virginia Independent Colleges & Universities

Wisconsin Association of Independent Colleges and Universities

Yes We Must Coalition