

April 23, 2020

The Honorable Maxine Waters
Committee on Financial Services
U.S. House of Representatives
Washington, DC 20515

The Honorable Patrick McHenry
Committee on Financial Services
U.S. House of Representatives
Washington, DC 20515

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

Dear Chairwoman Waters, Ranking Member McHenry, Chairman Crapo, and Ranking Member Brown:

On behalf of the American Council on Education and the undersigned higher education associations, we ask for consideration and support for the following changes to the mid-sized loan programs created under the Coronavirus Aid, Relief, and Economic Security (CARES) Act, specifically the Main Street Lending programs and any additional new loan programs created under the CARES Act.

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 revenue and increased expenses imposed by the COVID-19 pandemic. Institutions expect to refund nearly \$8 billion in room and board charges alone. Some schools have also refunded tuition payments. Anticipated sources of auxiliary revenue have dried up as campus events have been canceled. Summer programs that provide revenue to many institutions also have been canceled.

At the same time, institutions are facing additional costs—such as deep cleaning campus buildings and increased security expenses. Other schools have absorbed increased costs because they have opened their facilities to help medical personnel and first responders. One large public university in the Midwest recently told its Board of Trustees that, as of April 1, it has faced reduced revenue and added costs that total \$71 million—not including the considerable financial impact on its medical center. Another university projects that total revenue losses through the spring semester will exceed \$100 million. A small college serving about 3,000 students is absorbing a hit to its budget of \$4 million. And one university system has estimated that for its campuses the potential financial losses total a minimum of \$340 million, including tuition and auxiliary activity refunds, additional costs of course delivery and student support, as well as cleaning and other general costs.

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, through the Federal Reserve and the Department of Treasury, as well as any future

loan programs created to address the COVID-19 crisis. In order to allow our institutions to access these programs, we ask that Congress address two major barriers:

1. **Nonprofit eligibility for loan programs**—Congress should ensure that the Main Street Lending program, and any future loan programs, include eligibility for nonprofit private and public institutions of higher education, so that these institutions can access low-interest loans for new credit and the ability to refinance existing debt made available through these programs.
2. **Exemption of student workers under employee threshold eligibility standards**—Many of the loan programs created under the CARES Act include provisions regarding employee thresholds for purposes of eligibility. 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 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 institutions of higher education to access these important loan programs.

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

Sincerely,



Ted Mitchell, President

On behalf of:

Achieving the Dream
ACPA-College Student Educators International
American Association of Colleges for Teacher Education
American Association of Collegiate Registrars and Admissions Officers
American Association of Community Colleges
American Association of State Colleges and Universities
American College Health Association
American Council on Education
American Dental Education Association
APPA, “Leadership in Educational Facilities”
Association of American Colleges and Universities
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 Public and Land-grant Universities
Association of Research Libraries
Coalition of Urban and Metropolitan Universities
Consortium of Universities of the Washington Metropolitan Area
Council for Advancement and Support of Education
Council for Christian Colleges & Universities
Council for Higher Education Accreditation
Council of Independent Colleges
EDUCAUSE
Hispanic Association of Colleges and Universities
NASFA: Association of International Educators
NASPA-Student Affairs Administrators in Higher Education
National Association for College Admission Counseling
National Association for Equal Opportunity in Higher Education
National Association of Colleges and Employers
National Association of College and University Business Officers
National Association of Independent Colleges and Universities
National Collegiate Athletic Association
State Higher Education Executive Officers Association
UNCF