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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 loans<sup>1</sup>. 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

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<sup>1</sup> 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  
ETS  
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