



Kristen F. Soares, President

April 16, 2020

Jerome Powell, Chairman  
Board of Governors of the Federal Reserve System  
20th Street and Constitution Avenue NW Washington, DC 20551

**Subject: Comments on the Main Street Lending Program and Request for Meeting**

Dear Chairman Powell:

On behalf of the Association of Independent California Colleges and Universities (AICCU), I submit the following comments regarding the Main Street Lending program. Specifically, we ask that the Federal Reserve update the guidance to clarify that nonprofit private and public institutions are eligible for the Main Street Lending program. In addition, we also ask that student workers be exempted for the purposes of the employee threshold for the eligibility requirements (under 10,000 employees).

AICCU is the organizational voice for 85 nonprofit higher education institutions in California. Together, our institutions serve 358,000 students, both undergraduate and graduate.

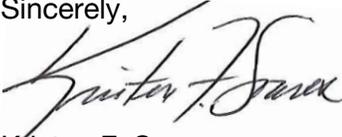
Institutions of higher education, often the largest or one of the largest employers in their local communities, are facing a major cash flow crisis in light of the reduced revenue and increased expenses imposed by the COVID-19 pandemic. Institutions expect to refund nearly \$8 billion in room and board 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.

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 credit and loans available under the Main Street Lending program recently announced by the Federal Reserve. Unfortunately, we are concerned with two major barriers keeping our institutions from accessing these programs:

- Institutions of higher education are often the largest, or one of the largest, employers within their community and larger region. There has been confusion about the Main Street Lending program and whether or not nonprofits are eligible, because the current guidance is silent. We ask that the Federal Reserve update the guidance to clarify that nonprofit private and public institutions of higher education, with direct borrowing authority, are eligible for the Main Street Lending program.
- We also ask that student workers be exempted for the purposes of the employee threshold for eligibility (businesses with under 10,000 employees). We hope that future guidance from the Federal Reserve will make it clear that our institutions can exempt student workers from the employee count. Many of our institutions of higher education 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.

It is vital to provide this access to low-interest loans to nonprofit colleges and universities financially devastated by the pandemic and struggling to continue to educate and assist students and employ the millions of faculty and staff who work on campuses around the country. Thank you for the consideration and we look forward to working with you on this and other important loan programs as the Federal Reserve responds to the COVID-19 crisis.

Sincerely,

A handwritten signature in black ink, appearing to read "Kristen F. Soares". The signature is fluid and cursive, with a large initial "K" and "S".

Kristen F. Soares