

Main Street Lending Program
Nonprofit Organizations Comments

Event Title / Description	Ticket Type	Received Date	Last Name	First Name	Email Address	Affiliation	Comment
							<p>&quot;Reasonable Efforts&quot; Regarding Employee Retention Require Further Clarification The description of &quot;Retaining Employees&quot; in the draft term sheet requires refinement if the Federal Reserve expects nonprofits to take advantage of this facility. We endorse the analysis of the National Council of Nonprofits on the issue of employee retention, and recommend the following:</p> <p>Recommendation: &quot;Reasonable efforts&quot; should be interpreted in the totality of the circumstances, taking into consideration not only the general economic environment in the community or communities in which the borrower operates, but also factors such as workforce, fundraising ability, revenue-generating activities, and overall demand for the services and programs the organization provides. One option would be to add the qualifier &quot;mission-based&quot; before &quot;reasonable efforts.&quot;</p> <p>Recommendation: The terms &quot;maintain its payroll&quot; and &quot;retain its employees&quot; are vague and need further refinement. We ask the Federal Reserve to make clear that nonprofits participating in the Main Street loan program generally should endeavor to pay staff at the same or increased income levels and should act in good faith to keep staffing levels (measured on the basis of full-time equivalents) at the same or increased levels, both for the duration of the loan. It is also important that the loan documents expressly state that the employee retention provision begins on the date that loan funding is received by the borrower rather than at an earlier date.</p> <p>Recommendation: We ask that the Federal Reserve adopt safe harbors of other loan programs and state clearly that nonprofit borrowers will not be penalized under the employee retention provision for the decision of employees to decline offers of rehire, or for those who are fired for cause, voluntarily resign, or voluntarily request a reduced schedule during the time that the loan is outstanding.</p> <p>Limitation of 50-Employee Minimum Should Be Removed The term sheet for the proposed nonprofit loan facility imposes a size minimum that is not imposed in the Main Street New, Priority, or Expanded Loan Facilities for for-profit businesses. There is no explanation why the Federal Reserve is proposing that nonprofits with fewer than 50 employees should not be eligible for Main Street loans for which their small business counterparts of equal size could secure lending support.</p> <p>Recommendation: The 50-employee floor should be removed.</p> <p>Additional Recommendations and Requests for Clarification Lincoln Cultural Center respectfully requests the Federal Reserve clarify the following issues in its final expansion notice. Endowment: What resources should be included in endowment calculations? Does it include restricted endowments? Does it extend to include cash on hand? Collateral: Flexibility on collateral is requested. The loan should be able to be approved with no more than 50% Loan to Value (LTV) if collateral is needed. Other Debts: The proposal requires that borrowers, &quot;refrain from repaying the principal balance of, or paying any interest on, any debt until the Eligible Loan is repaid in full, unless the debt or interest payment is mandatory and due.&quot; We request that this exclude lines of credit and other debt that are assumed to provide financial liquidity related to the impact of COVID-19.</p> <p>Our needs are evident, the PPP provide short term relief, but sadly Covid-19 is a long term effect. How do we replace funds from fundraisers that can not occur? How do we keep staff at bay when there is no income for payroll? How do we maintain our position in the community if we are not sure we can move forward? We are set to celebrate our 30th anniversary next year, will we be able to do so. You are in a position to relieve the stress for us and so many organizations like us.</p>
Staff Group - Main Street Lending Program - Nonprofit Organization Facilities	PIO (Email from Web)	6/22/2020 12:00:00 AM	Garcia	Cesar	cesar@southsideomaha.org	Southside Redevelopment Corporation	It is imperative to provide access to credit to non-profits that allow them to keep people employed while serving the community. win-win
Coronavirus (COVID-19)	PIO (Email from Web)	6/22/2020 12:00:00 AM	Johnson	Tammy	info@empoweringthemas.org	Empowering the Masses	This opportunity being extended to the non-profit sector will benefit many non profits who have adjusted their programs based on the current state of the our country and communities. Many organizations did not have individuals on the payroll but are doing a lot of heavy lifting in their communities to ensure that our most vulnerable populations are served.

Main Street Lending Program
Nonprofit Organizations Comments

Event Title / Description	Ticket Type	Received Date	Last Name	First Name	Email Address	Affiliation	Comment
Staff Group - Main Street Lending Program - Nonprofit Organization Facilities	PIO (Email from Web)	6/22/2020 12:00:00 AM	Finch	Andrew	afinch@aamd.org	Association of Art Museum Directors	<p>Comments to the Federal Reserve from the Association of Art Museum Directors regarding nonprofit access to the Main Street Lending Program.</p> <p>The Association of Art Museum Directors (AAMD) comprises the chief executive officers of the leading art museums in North America, with a mission of cultivating leadership, advocating for the field, and fostering excellence. AAMD appreciates the opportunity to submit comments to the Federal Reserve on the Nonprofit Organization Loan Facilities.</p> <p>Art museums have stepped up to meet the unprecedented level of need in our country due to the COVID-19 pandemic. They are playing a critical role in providing educational programs, often to families that have no history of utilizing such resources. In fact a survey conducted in April and May, after the onset of the pandemic, found that 48% of people using art museum online services had not visited a museum in the previous year. However, art museums are facing challenges to their ability to sustain themselves with limited revenue while simultaneously altering their operations and service delivery. Although they have relied on a largely private model, with such government support as exists coming primarily from local sources, the challenges to private funding as well as state and local governments lead us to turn to the federal government for help in sustaining our operations. In these circumstances, it is critical that the federal government understand our models of governance and operations and fashion relief measures that rise to the need.</p> <p>We believe that the proposal is aimed more at nonprofits such as hospitals and institutions of higher education, which charge substantial fees for service, than at nonprofits such as art museums that rely on donations to support their missions. Indeed, a third of AAMD's members in the United States charge no fees for admission, two-thirds offer free admission to children, and nearly all offer reduced fees for seniors, students, and members of the military. Nearly all also offer free days per week or month, and labor intensively to reach traditionally underserved audiences, often with free or reduced-cost programming. Even those that charge for admission heavily subsidize entrance fees: while fees range up to \$25, museums often incur costs exceeding \$75 per visit.</p> <p>By definition, all types of charities are inherently organized around a public mission, but their business models differ. Many of the financial requirements included in this proposal simply are not applicable to organizations that rely on donations. With that in mind, AAMD respectfully requests Congress and/or the Federal Reserve to address the concerns and proposed changes outlined below, recognizing that other charities and associations may have additional requests that are beyond our focus here.</p> <p>1. The Fed's Proposal to Limit Loans to Mid-Size Nonprofits with Less than 30% of Revenue from Donations Disqualifies Many in Charitable Sector</p> <p>The Federal Reserve's criterion that organizations must have 2019 revenues from donations that are less than 30% of total revenue disqualifies most art museums. Because the proposal is vague as to what would qualify as "donations," it is impossible to be precise as to exactly how many art museums might qualify, but if they include gifts from private individuals, foundations, corporations, and government grants, it seems likely that fewer than 15% could meet the proposed standard.</p> <p>As stated above, this loan facility seems more applicable to for-profit entities, as well as nonprofit educational institutions and hospitals, than to art museums and many other charitable organizations.</p> <p>Museums receive donations from the public, foundations, corporations and others to fund their public service missions. They often solicit and receive donations specifically to enable a broader public to benefit from their services. For example, the Baltimore Museum of Art used a combination of a gift, in the form of a permanently restricted endowment, and a government grant to offer free admission, allowing it to eliminate its admission fees in the early 2000s. Attendance at family programs rose by 70 percent as a consequence. Asking museums and other charities to reduce donations as a share of revenue is effectively asking them reduce their service to the public.</p> <p>Recommendation: Eliminate the requirement that no more than 30 percent of an organization's 2019 revenues come from donations, and instead make 501(c)(3) organizations that are otherwise meet the employee size are eligible.</p> <p>2. Congress Should Ensure Mid-Sized Nonprofits are Eligible for Loan Forgiveness</p> <p>Congress should ensure that mid-sized nonprofits have access to loan forgiveness. While it is a welcome development to see the Federal Reserve making the Main Street Lending Program available to some nonprofits, this assistance still falls short of what is most needed by nonprofit organizations - a provision that makes these loans forgivable.</p>

Main Street Lending Program
Nonprofit Organizations Comments

Event Title / Description	Ticket Type	Received Date	Last Name	First Name	Email Address	Affiliation	Comment
							<p>Charitable nonprofits of all sizes and focus areas are struggling to maintain mission-critical operations despite enormous economic challenges. Data released by Independent Sector show that nonprofits with between 500 to 5,000 employees have been severely impacted by this health and economic crisis. When asked "What types of additional assistance would be most helpful to your organization?" organizations overwhelmingly (92% of responses) suggested government support in the form of forgivable loans. Smaller nonprofits throughout the country have been hit equally hard. With an average of 123 Full Time Equivalents, AAMD members fall mainly into the latter category, but they are eager to advocate both for their larger charitable colleagues and for the relatively few art museums that exceed 500 FTE. In this regard they are also pleased that the proposed program would be available to charities with as few as 50 employees, though it needs to be said that this would still leave out a slight majority of AAMD members, and we accordingly request that smaller charities also be allowed to participate.</p> <p>Recommendation: Congress must recognize the vital services nonprofits provide to communities and the economy by including loan forgiveness in the next round of COVID-19 relief legislation.</p> <p>3. "Reasonable Efforts" Regarding Employee Retention Require Further Clarification The description of "Retaining Employees" in the draft term sheet requires refinement if the Federal Reserve expects nonprofits to take advantage of this facility.</p> <p>Recommendation: "Reasonable efforts" should be interpreted in the totality of the circumstances, taking into consideration not only the general economic environment in the community or communities in which the borrower operates, but also factors such as workforce, fundraising ability, revenue-generating activities, and overall demand for the services and programs the organization provides. One option would be to add the qualifier "mission-based" before "reasonable efforts." We note also that the current crisis, and in particular the need for social distancing, has changed the way that art museums deliver services, with most shifting to entirely online operations at least for the duration. This shift necessarily entails a shift in operating procedures and thus in staffing.</p> <p>Recommendation: The terms "maintain its payroll" and "retain its employees" are vague and need further refinement. We ask the Federal Reserve to make clear that nonprofits participating in the Main Street loan program generally should endeavor to pay staff at the same or increased income levels and should act in good faith to keep staffing levels (measured on the basis of full-time equivalents) at the same or increased levels, both for the duration of the loan. It is also important that the loan documents expressly state that the employee retention provision begins on the date that loan funding is received by the borrower rather than at an earlier date.</p> <p>Recommendation: We ask that the Federal Reserve adopt safe harbors of other loan programs and state clearly that nonprofit borrowers will not be penalized under the employee retention provision for the decision of employees to decline offers of rehire, or for those who are fired for cause, voluntarily resign, or voluntarily request a reduced schedule during the time that the loan is outstanding.</p> <p>4. Limitation of 50-Employee Minimum Should Be Removed The term sheet for the proposed nonprofit loan facility imposes a size minimum that is not imposed in the Main Street New, Priority, or Expanded Loan Facilities for for-profit businesses. There is no explanation why the Federal Reserve is proposing that nonprofits with fewer than 50 employees should not be eligible for Main Street loans for which their small business counterparts of equal size could secure lending support.</p> <p>Recommendation: The 50-employee floor should be removed.</p> <p>AAMD is grateful for the opportunity to comment.</p>

Main Street Lending Program
Nonprofit Organizations Comments

Event Title / Description	Ticket Type	Received Date	Last Name	First Name	Email Address	Affiliation	Comment
Staff Group - Main Street Lending Program - Nonprofit Organization Facilities	PIO (Email from Web)	6/22/2020 12:00:00 AM	Rowe Owens	Gretchen	growe@thomchild.org	Thom Child and Family Services	<p>The non-profit agency I help lead has a 100 year history of helping families in Massachusetts. Last year, we delivered home visiting services to over 15,000 infants and toddlers. Our skilled staff of 864 professionals made this possible. And yet, because there are more than 500 of us, we were left without support for sick leave, paycheck protection, and forgivable loans. We are held to different criteria for the employee retention credit. We are left out of the economic stimulus that is essential for our organization's survival.</p> <p>The lack of cash flow to our agency, and others like ours, is leading to job loss. Without revenue from service delivery, we cannot pay staff. The longer term impact is that families and our service sector will suffer for decades. Across the country, programs like ours are closing, furloughing staff, and stopping services to children who need our help.</p> <p>With access to favorable lending terms and with the same stimulus funding that was offered to smaller non-profits, we can continue to employ our staff of nurses, therapists, speech-language pathologists, educators, and other skilled specialists. We can continue to support children and families. We can avoid an erosion of our social service sector. We need immediate action. Non-profit agencies of our size must be included in the Main Street Lending Program and any subsequent mid-size loan programs.</p>
Staff Group - Main Street Lending Program - Nonprofit Organization Facilities	PIO (Email from Web)	6/22/2020 12:00:00 AM	Hindery	Anne	anne@nonprofitam.org	Nonprofit Association of the Midlands	<p>Comments to the Federal Reserve regarding the proposed Main Street Lending Program for nonprofit organizations - NONLF and NOELF</p> <p>The Nonprofit Association of the Midlands (NAM) provides the following recommendations to improve the proposed Nonprofit Organization Loan Programs:</p> <ol style="list-style-type: none"> 1. Loan Forgiveness: The Federal Reserve, working with Congress, must recognize the extent to which the public and economy rely on the vital services nonprofits provide to communities and the economy by creating a forgivable loan program. 2. 50-Employee Floor: The Nonprofit Organization Loan programs must be revised to remove the 50-employee floor. The need is great in nonprofits. This is also a parity issue since this minimum number of employees does not apply to for profit businesses. 3. 30% Donations Cap: It is essential that the Federal Reserve eliminate the requirement that no more than 30 percent of an organization's 2019 revenues come from donations. We also recommend that a review of multi-year budgets rather than just the 2019 budget offers a better understanding of the nonprofit. 4. Loan Terms: Recognizing the unique nature of nonprofit operations and their importance in continuing to provide vital services as partners on the frontlines of the COVID-19 crisis, we urge the Federal Reserve to eliminate the liquidity and debt ratio provisions in the loan requirements. We also recommend lower interest rates in line with other nonprofit loan programs and a seven-year amortization. 5. Revising EBITA Ratio: The 5 percent requirement should be reduced to zero, if not eliminated. Further, nonprofit borrowers should be allowed to provide a statement of explanation of a deficit so that a negative ratio does not mean automatic ineligibility. Finally, clarification is needed on the calculation methodology - in the context of nonprofit operating budgets - regarding both restricted funding from grants in annual operating budgets and capital funds for improvements. 6. Clarifying Employee Retention Requirements: The term "mission-based" should be inserted before "reasonable efforts" to tailor employee retention requirements to the realities of nonprofit operations. The Employee retention requirements should also apply based on employment levels on the date of loan origination. The reasonable safe harbor provisions of the Paycheck Protection Program Flexibility Act should be extended to this loan program. 7. Additional Questions Recommendations: <ul style="list-style-type: none"> o Endowment: What resources should be included in endowment calculations? Does it include restricted endowments? Does it extend to include cash on hand? o Collateral: Flexibility on collateral is requested. The loan should be available with no more than 50 percent Loan to Value (LTV) if collateral is needed. o Other Debts: The proposal to restrict paying off existing loans should exclude lines of credit and other debt that are assumed to provide financial liquidity related to the impact of COVID-19. <p>The details of these recommendations are discussed in the set of comments submitted by the National Council of Nonprofits, which the Nonprofit Association of the Midlands (NAM) endorses and incorporates here by reference.</p>

Main Street Lending Program
Nonprofit Organizations Comments

Event Title / Description	Ticket Type	Received Date	Last Name	First Name	Email Address	Affiliation	Comment
Staff Group - Main Street Lending Program - Nonprofit Organization Facilities	PIO (Email from Web)	6/22/2020 12:00:00 AM	Kamer	Hope	hope_kamer@senecacenter.org	Seneca Family of Agencies	<p>Seneca Family of Agencies is one of the largest children's behavioral health providers in California, and our strength comes from the hard work and commitment of our direct service staff. We provide Unconditional Care across a comprehensive continuum of service settings that support families through the most difficult time of their lives. Like most mental health providers, the COVID-19 crisis has presented extraordinary financial challenges and threatened the viability of many of our critically necessary programs. Our agency is grateful for the continued opportunities provided via the CARES Act for financial support. Unfortunately, we feel the Main Street Lending Program as announced will not provide sustainable relief to nonprofits, as intended. Specifically, while we understand that Congress must act to pass legislation allowing for loan forgiveness for mid-sized nonprofits under this loan program, we hope to underscore that possible forgiveness on these loans is necessary for the opportunity to be viable, in any way, for a nonprofit like ours. Further, the proposed interest rates for nonprofits utilizing this program are the same interest rates available to for-profit businesses. Both the PPP and EIDL provide lower interest rates for nonprofits, and this program should be comparable. The fees involved in this opportunity, especially without access to loan forgiveness, are prohibitively onerous. Thank you for your consideration on this urgent issue, and you committed leadership through this crisis.</p>
Staff Group - Main Street Lending Program - Nonprofit Organization Facilities	PIO (Email from Web)	6/22/2020 12:00:00 AM	Wolfe	Pamela	pwolfe@thomchild.org	Thom Anne Sullivan Center	<p>The non-profit agency I help lead has a 100 year history of helping families in Massachusetts. Last year, we delivered home visiting services to over 15,000 infants and toddlers. Our skilled staff of 864 professionals made this possible. And yet, because there are more than 500 of us, we were left without support for sick leave, paycheck protection, and forgivable loans. We are held to different criteria for the employee retention credit. We are left out of the economic stimulus that is essential for our organization's survival.</p> <p>The lack of cash flow to our agency and others like ours has led to job loss and has delayed job creation. The longer term impact is that communities, families, and our service sector will suffer for decades. Across the country, programs like ours are closing, furloughing staff, and stopping services to children who need our help.</p> <p>With access to favorable lending terms and with the same stimulus funding that was offered to smaller non-profits, we could start calling back to work our furloughed staff of nurses, therapists, speech-language pathologists, educators, and other skilled specialists and administrators. We could continue to support children and families. We could avoid an erosion of our social service sector. We need immediate action. Non-profit agencies of our size must be included in the Main Street Lending Program and any subsequent mid-size loan programs.</p>
Staff Group - Main Street Lending Program - Nonprofit Organization Facilities	PIO (Email from Web)	6/22/2020 12:00:00 AM	Thakadiyil	Philip	philip.thakadiyil@swe.org	Society of Women Engineers	<p>Please reduce the staffing size to 25, most not for profits are operating at reduced staffing levels.</p>
Staff Group - Main Street Lending Program - Nonprofit Organization Facilities	PIO (Email from Web)	6/22/2020 12:00:00 AM	SCHOFIELD	JO-ANN	JSCHOFIELD@MENTORRI.ORG	MENTOR RI	<p>Non-profits provide vital services that the government cannot and does not provide. These loans may be imperative to keep many of the non-profit community afloat during these difficult economic times caused by the pandemic. There is an abundance of work to be done with limited numbers of organizations that have the capacity to do it. With so much fundraising happening through events that can no longer be held in the same fashion, the income loss is substantial. Loan forgiveness for non-profits as well as lowering the minimum number of employees to enable more small to mid-size non-profits to be eligible would be immensely helpful to so many doing the front line work of feeding the poor, housing for homeless, supports for youth, etc.</p>

Main Street Lending Program
Nonprofit Organizations Comments

Event Title / Description	Ticket Type	Received Date	Last Name	First Name	Email Address	Affiliation	Comment
Staff Group - Main Street Lending Program - Nonprofit Organization Facilities	PIO (Email from Web)	6/22/2020 12:00:00 AM	Szczesny	Barry	bszczesny@aa m-us.org	American Alliance of Museums	<p>June 22, 2020</p> <p>Comments to the Federal Reserve Board from National Museum Associations</p> <p>The undersigned national nonprofit museum associations are writing to comment on the Federal Reserve Board's proposal to expand the Main Street Lending Program to provide access to credit for nonprofit organizations.</p> <p>Nonprofit museums are economic engines and job creators: According to "Museums as Economic Engines: A National Report", U.S. museums support more than 726,000 jobs and contribute \$50 billion to the U.S. economy per year. America cannot afford to leave out such a vital part of the economy. Our nonprofit member institutions are important to every community, connecting residents to creativity and education and enhancing their quality of life. Museums are a robust and diverse business sector including African American museums, aquariums, arboreta, art museums, botanic gardens, children's museums, culturally-specific museums, historic sites, historical societies, history museums, maritime museums, military museums, natural history museums, planetariums, presidential libraries, public gardens, railway museums, science and technology centers, and zoos. We serve as community anchors, addressing challenges in times of crisis.</p> <p>Unfortunately, we expect the hardships facing our member organizations in communities across the country to increase significantly in the days and months ahead. Collectively, the nation's nonprofit museums are losing millions of dollars a day due to closures. The American Alliance of Museums (AAM) calculates that museums are losing at least \$33 million a day due to closures as a result of COVID-19. Additionally, preliminary data from an AAM benchmarking survey shows that nearly 20% of museums indicated that there is a significant risk of closing permanently. Our members' economic stability depends heavily on revenue generated from our visitors. Even museums that have reopened are operating at reduced capacity, meaning that a return to normal operations will likely take months or years.</p> <p>By definition, all types of charities are inherently organized around a public mission, but their business models differ. Many of the financial requirements included in this proposal are not applicable to organizations that rely on donations. With that in mind, our organizations respectfully request Congress and/or the Federal Reserve to address the concerns and proposed changes outlined below, recognizing that other charities and associations may have additional requests that are beyond our focus here.</p> <p>1. Congress Must Act to Ensure Mid-Sized Nonprofits are Eligible for Loan Forgiveness</p> <p>Congress must ensure that mid-sized nonprofits have access to loan forgiveness. While it is a welcome development to see the Federal Reserve making its Main Street lending program available to some nonprofits, this assistance still falls short of what is most needed by nonprofit organizations - a provision that makes these loans forgivable.</p> <p>Charitable nonprofits of all sizes and focus areas are struggling to maintain mission-critical operations despite enormous economic challenges. Data released by Independent Sector show that nonprofits with between 500 to 5,000 employees have been severely impacted by this health and economic crisis. When asked "What types of additional assistance would be most helpful to your organization?" organizations overwhelmingly (92% of responses) suggested government support in the form of forgivable loans. Smaller nonprofits throughout the country have been hit equally hard.</p> <p>Nonprofit organizations need funding to continue to meet the needs of their communities. Many of these organizations do not have steady streams of commercial income and have little capacity for loan and interest repayment. Furthermore, nonprofits are the third largest employment sector and many hope to hire more workers as their organizations recover.</p> <p>Even as museums are experiencing closures and significant losses in revenue, they are meeting an increase in demand for their services and safeguarding and supporting their communities. They are contributing to the ongoing education of our country's children by providing free lesson plans, online learning opportunities, and drop-off learning kits to teachers and families. They are using their outdoor spaces to grow and donate produce to area food banks and are maintaining these spaces for individuals to safely relax, enjoy nature, and recover from the mental health impacts of social isolation. They are donating their PPE and scientific equipment to fight COVID-19, and providing access to child care and meals to families of health care workers and first responders. In the midst of financial distress, they are even raising funds for community relief. Museums are pivotal to our nation's ability to manage through the pandemic and recover from it as our nation opens back up. But they desperately need assistance in the form of forgivable loans.</p> <p>Recommendation: Congress must recognize the vital services nonprofits provide to communities and the economy by including loan</p>

Main Street Lending Program
Nonprofit Organizations Comments

Event Title / Description	Ticket Type	Received Date	Last Name	First Name	Email Address	Affiliation	Comment
							<p>forgiveness in the next round of COVID-19 relief legislation, including for the Main Street Lending Program.</p> <p>2. The Fed’s Proposal to Limit Loans to Mid-Size Nonprofits with Less than 30% of Revenue from Donations Disqualifies Many in Charitable Sector</p> <p>The Federal Reserve’s criterion that organizations must have revenues from donations that are less than 30% disqualify many charities, including more than half of the nation’s 33,000 museums. Overall, this loan facility seems more applicable to for-profit entities, but not most charitable organizations. Survey data from the American Alliance of Museums shows that private charitable giving was the largest source of operating income for nonprofit museums.</p> <p>Recommendation: Eliminate the requirement that no more than 30% of an organization’s 2019 revenues come from donations, and instead make eligible 501(c)(3) organizations that are otherwise meeting the employee size.</p> <p>3. “Reasonable Efforts” Regarding Employee Retention Require Further Clarification</p> <p>The description of “Retaining Employees” in the draft term sheet requires refinement if the Federal Reserve expects nonprofits to take advantage of this facility.</p> <p>Recommendation: “Reasonable efforts” should be interpreted in the totality of the circumstances, taking into consideration not only the general economic environment in the community or communities in which the borrower operates, but also factors such as workforce, fundraising ability, revenue-generating activities, and overall demand for the services and programs the organization provides. One option would be to add the qualifier “mission-based” before “reasonable efforts.” We note also that the current crisis, and in particular the need for social distancing, has changed the way that museums deliver services, with many shifting to entirely online operations. This shift necessarily entails a shift in operating procedures and thus in staffing.</p> <p>Recommendation: The terms “maintain its payroll” and “retain its employees” are vague and need further refinement. We ask the Federal Reserve to make clear that nonprofits participating in the Main Street loan program generally should endeavor to pay staff at the same or increased income levels and should act in good faith to keep staffing levels (measured on the basis of full-time equivalents) at the same or increased levels, both for the duration of the loan. It is also important that the loan documents expressly state that the employee retention provision begins on the date that loan funding is received by the borrower rather than at an earlier date.</p> <p>Recommendation: We ask that the Federal Reserve adopt safe harbors included in other loan programs and state clearly that nonprofit borrowers will not be penalized under the employee retention provision for the decision of employees to decline offers of rehire, or for those who are fired for cause, voluntarily resign, or voluntarily request a reduced schedule during the time that the loan is outstanding.</p> <p>4. Limitation of 50-Employee Minimum Should Be Removed</p> <p>The term sheet for the proposed nonprofit loan facility imposes a size minimum that is not imposed in the Main Street New, Priority, or Expanded Loan Facilities for for-profit businesses. There is no explanation why the Federal Reserve is proposing that nonprofits with fewer than 50 employees should not be eligible for Main Street loans for which their small business counterparts of equal size could secure lending support.</p> <p>Recommendation: The 50-employee floor should be removed.</p> <p>We appreciate your immediate attention to these critical issues. Thank you for your continued work to mitigate the impact that this public health crisis is having on our economy.</p> <p>Sincerely,</p> <p>American Alliance of Museums American Association for State and Local History American Institute for Conservation Association of African American Museums</p>

Main Street Lending Program
Nonprofit Organizations Comments

Event Title / Description	Ticket Type	Received Date	Last Name	First Name	Email Address	Affiliation	Comment
							Association of Art Museum Directors Association of Children's Museums Association of Science and Technology Centers Association of Science Museum Directors Association of Zoos and Aquariums

Main Street Lending Program
Nonprofit Organizations Comments

Event Title / Description	Ticket Type	Received Date	Last Name	First Name	Email Address	Affiliation	Comment
Staff Group - Main Street Lending Program - Nonprofit Organization Facilities	PIO (Email from Web)	6/22/2020 12:00:00 AM	Savoie	Brian	Brian.Savoie@BethesdaLC.org	Bethesda Lutheran Communities	<p>I'm writing to express the strong support of Bethesda Lutheran Communities for the proposed expansion of eligibility criteria of the Main Street Lending Program to include not-for-profit organizations that have operated for at least 5 years with endowments that do not exceed \$3 billion.</p> <p>I thank Chairman Powell for proposing this eligibility expansion and his understanding of the critical role not-for-profit organizations play in our nation's economy and its health and human services delivery system. Bethesda has provided disability supports to people with intellectual and developmental disabilities since 1904. It has sustained itself through many economic downturns including the Great Depression. But the economic challenges facing organizations like Bethesda as a result of the COVID-19 pandemic are unprecedented and could not have been foreseen.</p> <p>Extending this program to not-for-profits is consistent with and supportive of the goals of the Main Street Loan program. The statement of the Federal Reserve that "small and medium-sized businesses are integral to the U.S. economy" are as relevant to nonprofits as for-profits. Bethesda employs more than 2,226 in 13 states. Not only does Bethesda contribute to local communities in those states but it provides essential services and supports to some of its most vulnerable citizens.</p> <p>The supports provided by Bethesda are essential healthcare and human services. It is essential for the health and well-being of thousands of Americans that not-for-profits like Bethesda continue to provide these services through the epidemic. However, continuation of this lifeline come at a tremendous financial cost. Bethesda's expenses directly attributed to COVID-19 are forecasted to be over \$1.5 million, including; \$500,000 in Personal Protective Equipment; \$900,000 in staff wages for hazard pay, over time and coverage for necessary 24/7 coverage.</p> <p>And, unlike many for-profit organizations, Bethesda has not had access to emergency funding through the Paycheck Protection Program (PPP) due to the number of direct support professionals employed. And, healthcare and human services were not covered by the North American Industry Classification System (NAICS) codes inserted into the CARES Act legislation for expanded eligibility.</p> <p>Another compelling reason to expand eligibility of the Main Street Lending Program to include not-for-profits is that, in addition to loss of services revenue and increase in COVID-19-related expenses, charitable giving and other fundraising activities have been negatively impacted by the pandemic. The intellectual and developmental disability service system historically has been severely underfunded causing service providers to rely on fundraising activities to keep people employed and essential services operating.</p> <p>One such activity for Bethesda is retail thrift stores. Because all our stores were forced to shut down due to State mandates, that revenue stream was lost at this most critical time. To date, Bethesda has forecasted \$1.1 million in lost revenue. And, we are also facing increased expenses on labor and supplies as we begin reopening in a safe and responsible manner - these costs may exceed \$400 thousand this year.</p> <p>Bethesda's tradition charitable giving efforts have also been stymied by the pandemic. Our fundraising has been greatly diminished to the COVID-19 outbreak. We are unable to visit donors and the many unknowns in the market are causing donors to hold back right now. This could have a \$2 million impact on Bethesda.</p> <p>Bethesda is a strong and financially viable organization that, like all nonprofits, has suffered significant economic hardships due to the pandemic. Expansion of the Main Street Lending Program would provide us with the cash assets to continue to provide essential services for people with disabilities while putting systems in place to be effective in the new economic normal.</p>

Main Street Lending Program
Nonprofit Organizations Comments

Event Title / Description	Ticket Type	Received Date	Last Name	First Name	Email Address	Affiliation	Comment
Staff Group - Main Street Lending Program - Nonprofit Organization Facilities	PIO (Email from Web)	6/22/2020 12:00:00 AM	Caldwell	Andrea	acaldwell@san diegozoo.org	San Diego Zoo Global	<p>We are encouraged by the Federal Reserve's recent announcement that it plans to make the Main Street Lending program available to nonprofits. While this is a step in the right direction, this assistance falls short of what is really needed by most nonprofits in the wake of the ongoing pandemic - a provision that makes the loans forgivable.</p> <p>Nonprofits, both small and large, across the nation are struggling to maintain their mission-critical operations despite the significant public health and economic challenges posed by the current pandemic. At San Diego Zoo Global, we were forced to shut our doors to the public for the first time on --- through --. With this unprecedented closure, we are still incurring significant expenses to care for our animals and plants without revenue to mitigate costs. Many of the wildlife in our care are threatened or endangered, some of which belong to the U. S. Fish and Wildlife Service. While we recently reopened our facilities, to maintain social distancing we are only allowing -- % of visitor capacity, meaning that we may be operating a net loss for some time.</p> <p>During normal operations, San Diego Zoo Global's (SDZG) economic impact is an estimated \$1.7 billion annually, employing 3,000 Californians, and indirectly contributing more than 14,000 jobs to California's labor market. SDZG houses more than 6,500 animals of more than 950 species and a renowned botanical collection representing more than 700,000 exotic plants. Additionally, we lead and make significant contributions to numerous successful local, national, and international public-private recovery partnerships in cooperation with our peer institutions and at the request of the U. S. Fish and Wildlife Service. To sustain base operations during this challenging time, we require the aid of our federal government until we can once again serve as an economic engine of our community.</p> <p>As the Federal Reserve develops it nonprofit lending mechanism, we encourage you to make the following changes that are critical to the health and sustainability of our nation's nonprofits during these unprecedented times.</p> <ol style="list-style-type: none"> 1. Expand access to credit through the Main Street Lending program including a provision for loan forgiveness for all eligible nonprofits. 2. Eliminate the 30% limit on revenue from donations. This 30% limit seems more aimed at for-profit businesses, hospitals and institutional for higher education than most nonprofits and will disqualify many nonprofits in the greatest need. 3. Liquidity - The Fed proposal requires high levels of liquidity, however the pandemic has reduced liquidity and makes this a challenge. 4. Interest rates and fees - The interest rates proposed are the same as for for-profit businesses. Both the PPP and EIDL provide lower interest rates for nonprofits and this program should be comparable. In addition, the fees, especially without access to loan forgiveness, are also onerous. 5. Balloon payment - The proposal includes a 70% balloon payment in 5 years, though nonprofits do not expect to have excess cash in 5 years to meet this balloon payment. We recommend this payment schedule be extended significantly. 6. EBIDA (Earnings before interest, depreciation, and amortization) - Requiring unrestricted 2019 operating revenue be greater than or equal to 5% is overly restrictive for nonprofits facing financial difficulty. <p>We appreciate your attention to these important provisions which would strengthen the MSLP's ability to provide relief to nonprofits that are in dire need of assistance.</p>

Main Street Lending Program
Nonprofit Organizations Comments

Event Title / Description	Ticket Type	Received Date	Last Name	First Name	Email Address	Affiliation	Comment
Staff Group - Main Street Lending Program - Nonprofit Organization Facilities	PIO (Email from Web)	6/22/2020 12:00:00 AM	Mejia	Ileana	lMejia@minnesotanonprofits.org	Minnesota Council of Nonprofits	<p>The Minnesota Council of Nonprofits (MCN) was founded in 1987 to meet the increasing information needs of nonprofits and to convene nonprofits to address issues facing the sector. It is the largest state association of nonprofits in the United States. Through MCN, nonprofits join together across interest areas to work on issues of common concern to all. MCN accomplishes this through education and professional development for nonprofit managers and leaders, public policy education and civic engagement, cost saving product partnerships, research on nonprofit sector trends and tax and budget issues, and advocacy at local, state, and federal levels.</p> <p>Minnesota Council of Nonprofits appreciates the opportunity to submit comment to the Federal Reserve about the Nonprofit Organization Loan Facilities. This proposal is aimed more at transactional nonprofits such as hospitals and institutions of higher education than at nonprofits that have a larger reliance on donations from the public to support their missions. Indeed, many nonprofits pride themselves on offering their services at no charge. Recognizing that their business models are different, even if both types of charities are inherently organized around a public mission, many of the financial requirements included in this proposal simply are not applicable to organizations that rely on donations. With that in mind, Minnesota Council of Nonprofits respectfully requests the Federal Reserve to address the concerns and proposed changes outlined below.</p> <p>1. Congress Must Act to Ensure Mid-Sized Nonprofits are Eligible for Loan Forgiveness Congress must ensure that mid-sized nonprofits have access to loan forgiveness. While it is a welcome development to see the Federal Reserve making its Main Street lending program available to some nonprofits, this assistance still falls short of what is most needed by nonprofit organizations - a provision that makes these loans forgivable.</p> <p>In this critical time, nonprofits have stepped up to meet the unprecedented level of need in our country due to the COVID-19 pandemic. Even though they face many of the same economic challenges as other industries, nonprofits are not shutting down. Rather, they are straining to meet increasing demands in our communities on the frontlines, caring for the sick, feeding families, and keeping our communities connected. Furthermore, they will play an integral role as our nation recovers - providing child care, job training, and other core supports.</p> <p>Charitable nonprofits of all sizes and focus areas are struggling to maintain mission-critical operations despite enormous economic challenges. Data released by Independent Sector shows that nonprofits with between 500 to 5,000 employees, key to scaling relief efforts across the nation, have been severely impacted by this health and economic crisis. When asked "What types of additional assistance would be most helpful to your organization?" organizations overwhelmingly (92% of responses) suggested government support in the form of forgivable loans. Smaller nonprofits throughout the country have been hit equally hard.</p> <p>Nonprofit organizations need funding so they can continue to meet the needs of their communities. Many charitable organizations do not have steady streams of commercial income and have little capacity for loan and interest repayment. Furthermore, nonprofits are the third largest employment sector and many hope to hire more workers as their organizations recover. America cannot afford to leave out such a vital part of the economy.</p> <p>Recommendation: Congress must recognize the vital services nonprofits provide to communities and the economy by including loan forgiveness, in the next round of COVID-19 relief legislation</p> <p>2. The Fed's Proposal to Limit Loans to Mid-Size Nonprofits with Less than 30% of Revenue from Donations Disqualifies Many in Charitable Sector The Federal Reserve's criteria that organizations must have revenues from donations that are less than 30% disqualify many charities. Overall, this loan facility seems more applicable to for-profit entities, as well as educational institutions and nonprofit hospitals, but not most charitable organizations.</p> <p>Recommendation: Eliminate the requirement that no more than 30 percent of an organization's 2019 revenues come from donations, and instead make 501(c)(3) organizations that are otherwise meet the employee size are eligible.</p> <p>3. The Fed Needs to Make Loan Terms More Favorable to Charitable Organizations The draft Nonprofit Loan Facility imposes certain liquidity, asset, and reserve requirements that are not required in Main Street New Loan Facilities available to for-profit businesses.</p> <p>Nonprofit organizations typically provide services with low-profit margins. Indeed, social service organizations report an average aggregate margin of 1.5%. According to a recent report by Seachange Capital Partners, the median social services nonprofit has a margin of 1.0%,</p>

Main Street Lending Program
Nonprofit Organizations Comments

Event Title / Description	Ticket Type	Received Date	Last Name	First Name	Email Address	Affiliation	Comment
							<p>receives 3.6% of its revenue from philanthropy (including investment income), has total financial assets (including endowments and other assets that are subject to legal restrictions) equal to 1.9 months of expenses, and operating reserves of less than one month of expenses. Less than 20% of large nonprofits have 6 months or more of operating reserves, a widely accepted standard for "financial strength" for nonprofits. Social services organizations are the most fragile, with fewer than 10% reaching this standard.</p> <p>The statistics above should not be viewed as an indictment of the efficiencies or management policies of nonprofits. It is important to note that the vast majority of social service nonprofit funding comes from government grants contracts, recognizing the key role such organizations play in serving the most vulnerable. Numerous studies confirm that government funding seldom covers the full cost of providing contracted work, which inhibits nonprofits from accumulating reserves through surpluses. In many instances, government grant/contract work creates cash-flow challenges since it is paid after the work has been completed and can be subject to significant delays in payment.</p> <p>Recommendation: Recognizing the unique nature of nonprofit operations and their importance in continuing to provide vital services as partners on the front lines of the COVID-19 crisis, we urge the Federal Reserve to eliminate borrower requirements 7 and 8. If this is not possible, we alternatively ask that the requirements be lessened significantly to reflect the economic realities of nonprofit operations, for example by requiring only 30 days cash on hand, and bringing the loan origination ratio of 40-50% (down from 65% as proposed).</p> <p>We are also concerned that certain eligible loan features are too onerous for nonprofit organizations and are less favorable than those offered in other government programs. Specifically, the interest rate of LIBOR plus 300 basis points is significantly higher than that offered for Paycheck Protection Program ("PPP") Loans (1.0%) and that for Economic Injury Disaster Loans (2.75%). In addition, the imposition of loan origination and service fees adds to the cost under the Nonprofit Facility. Finally, the notion that nonprofits would be faced with a 70% balloon payment at the end of the fifth year of the loan would be off-putting for many nonprofits. Nonprofits with existing loans with balloon payments are usually provided an opportunity to renegotiate such loans at prevailing market rates.</p> <p>Recommendation: We urge that the loan terms including interest rate and balloon payments be revisited and recommend the lowest permissible rate such as the 0.5% rate initially proposed for PPP loans. In addition, we urge some flexibility in the balloon payment requirement to afford the opportunity for renegotiation. If the 5-year amortization were extended to 7 years, this could lessen the balloon payment. We request that the borrower have access to engage with derivatives (change to a fixed rate) without the minimum swap requirements.</p> <p>4. The Ratio of Adjusted 2019 Earnings before "EBIDA" Should Be Revised In the "Draft for Public Consultation," for both the Nonprofit Organization New Loan Facility and the Nonprofit Organization Expanded Loan Facility, one of the eligibility criteria for borrowers is that they must have "a ratio of adjusted 2019 earnings before interest, depreciation, and amortization ("EBIDA") to unrestricted 2019 operating revenue, greater than or equal to 5%." (#6) In the context of nonprofit operations, this threshold is too high and would make many, if not most, nonprofits ineligible based on these criteria alone, which seems written more in the context of for-profit businesses as opposed to nonprofit organizations.</p> <p>It may certainly be prudent and necessary to have a positive ratio of adjusted earnings; however, nonprofits generally run on a small margin, both out of necessity and also so as to not leave excess surpluses that could be used for fulfilling their missions. Moreover, at times a nonprofit may have a planned and manageable deficit as part of a strategic plan-a negative ratio at one isolated point is not always an indication of instability.</p> <p>Furthermore, the footnotes for criteria #6 clarify that "The Eligible Lender should calculate operating revenue as unrestricted operating revenue, excluding funds committed to be spent on capital." Many nonprofits have "restricted revenue" through grants and contracts built into their operating budgets. Excluding this revenue would compound the problem of meeting the 5% ratio. Although it would be sensible to exclude contributions raised for a "capital campaign," excluding other capital funds included in an annual budget for maintenance and planned upgrades would further decrease the required ratio.</p> <p>Recommendation: The 5% requirement should be reduced to zero, if not eliminated. In addition, a statement of explanation of a deficit should be allowed so that a negative ratio does not mean automatic ineligibility for a nonprofit borrower. Finally, further clarification on the calculation methodology -in the context of nonprofit operating budgets- is needed in regard to both restricted funding from grants in annual operating budgets, as well as capital funds for improvements that are part of an annual operating budget. This clarification would allow noted revenues to remain in calculation to ease the restriction and not further restrict eligibility.</p> <p>5. "Reasonable Efforts" Regarding Employee Retention Require Further Clarification</p>

Main Street Lending Program
Nonprofit Organizations Comments

Event Title / Description	Ticket Type	Received Date	Last Name	First Name	Email Address	Affiliation	Comment
							<p>The description of "Retaining Employees" in the draft term sheet requires refinement if the Federal Reserve expects nonprofits to take advantage of this facility. We endorse the analysis of the National Council of Nonprofits on the issue of employee retention, and recommend the following:</p> <p>Recommendation: "Reasonable efforts" should be interpreted in the totality of the circumstances, taking into consideration not only the general economic environment in the community or communities in which the borrower operates, but also factors such as workforce, fundraising ability, revenue-generating activities, and overall demand for the services and programs the organization provides. One option would be to add the qualifier "mission-based" before "reasonable efforts."</p> <p>Recommendation: The terms "maintain its payroll" and "retain its employees" are vague and need further refinement. We ask the Federal Reserve to make clear that nonprofits participating in the Main Street loan program generally should endeavor to pay staff at the same or increased income levels and should act in good faith to keep staffing levels (measured on the basis of full-time equivalents) at the same or increased levels, both for the duration of the loan. It is also important that the loan documents expressly state that the employee retention provision begins on the date that loan funding is received by the borrower rather than at an earlier date.</p> <p>Recommendation: We ask that the Federal Reserve adopt safe harbors of other loan programs and state clearly that nonprofit borrowers will not be penalized under the employee retention provision for the decision of employees to decline offers of rehire, or for those who are fired for cause, voluntarily resign, or voluntarily request a reduced schedule during the time that the loan is outstanding.</p> <p>6. Limitation of 50-Employee Minimum Should Be Removed The term sheet for the proposed nonprofit loan facility imposes a size minimum that is not imposed in the Main Street New, Priority, or Expanded Loan Facilities for for-profit businesses. There is no explanation why the Federal Reserve is proposing that nonprofits with fewer than 50 employees should not be eligible for Main Street loans for which their small business counterparts of equal size could secure lending support.</p> <p>Many of the nonprofits in our network are on the frontlines of this pandemic, working with fewer than 50 employees to address immediate and growing needs. These vital organizations would be arbitrarily excluded from important loan program.</p> <p>Recommendation: The 50-employee floor should be removed.</p> <p>7. Additional Recommendations and Requests for Clarification Minnesota Council of Nonprofits respectfully requests the Federal Reserve clarify the following issues in its final expansion notice. Endowment: What resources should be included in endowment calculations? Does it include restricted endowments? Does it extend to include cash on hand? Collateral: Flexibility on collateral is requested. The loan should be able to be approved with no more than 50% Loan to Value (LTV) if collateral is needed. Other Debts: The proposal requires that borrowers, "refrain from repaying the principal balance of, or paying any interest on, any debt until the Eligible Loan is repaid in full, unless the debt or interest payment is mandatory and due." We request that this exclude lines of credit and other debt that are assumed to provide financial liquidity related to the impact of COVID-19.</p> <p>Thank you for your consideration on these important issues.</p>
Staff Group - Main Street Lending Program - Nonprofit Organization Facilities	PIO (Email from Web)	6/22/2020 12:00:00 AM	Norman	Andrew	andrew@rabbl emill.org	Rabble Mill	<p>Please consider extending the proposed nonprofit loan program to make nonprofits like ours eligible. We employ 15 FTE and do critical work to help keep youth off the streets and from falling through the cracks, through after-school programming in skateboarding, music and digital art. We feed 150 kids weekly. With our projected revenue, which was to constitute 43% of our 2020 budget, nearly wiped out, we need federal support to sustain.</p> <p>Don't just bail out the big dogs. So many innovative nonprofits such as ours need support.</p>

Main Street Lending Program
Nonprofit Organizations Comments

Event Title / Description	Ticket Type	Received Date	Last Name	First Name	Email Address	Affiliation	Comment
Staff Group - Main Street Lending Program - Nonprofit Organization Facilities	PIO (Email from Web)	6/22/2020 12:00:00 AM	MacIntosh	John	jmacintosh@seachangeap.org	SeaChange Capital Partners	<p>Using the best available data from the IRS Form 990, (see http : //seachangeap.org/wp-content/uploads/2020/06/MainStreet2.0-Proposal-Summary-of-Tests.pdf), we estimate that about 29% of nonprofits too large for PPP (expenses over \$30 million) would qualify for loans under the proposal though only 13% in social services. A further 24% pass all tests but one; for 50% of these the test that they fail is the liquidity test (liquid assets > 90 days). In social services, 71% of organizations otherwise eligible fail this test. Given their low margins, slow paying funders (government), stable revenues and expenses (in normal situations) and mission orientation, larger nonprofits (particularly in social services) operate with limited liquidity. Our analysis suggests that only 26% of social service nonprofits pass the 90-day test. The Fed should consider moving this test to 60-days or even 45-days. This would increase the number of eligible borrowers by 27% and 45%, respectively.</p> <p>Incentives It should be made clear that banks would get CRA credit or the FRB should explore other methods to encourage lending. CDFIs should also be included as originators. Nonprofits should also be allowed to refinance high costs debt in some circumstances.</p> <p>Eligible Borrowers, item # 8 "unrestricted cash" Nonprofits are not required to report "unrestricted cash" in their financial statements or on IRS Form 990. Under generally accepted accounting standards, nonprofits does not define and report "unrestricted cash". (There was discussion to split the balance sheet items in FASB but they decided not too as it is very complex), However, there is a concept of "restricted cash" (example: escrow funds, client funds etc.) It will be confusing to nonprofits to define what "unrestricted cash" is and this will result in diversity and confusion with this calculation. I suggest saying "If there is no restricted cash separately identified on the statement of financial position then all cash and cash equivalents reported should be used in this calculation; and/or say "Cash and Investments excluding permanent endowment funds." If this not the intention, then different language should be used in consultation with nonprofits auditors and accountants.</p> <p>Donations: For purposes of test #5, revenues from donation includes "proceeds from fundraising events, federated campaigns, gifts, and funds from similar sources." This leaves unclear to main whether grants from foundations are intended to be included in similar sources. I expect this is the intention, but it should be clear. It is not clear how to distinguish gifts from grants, but nonprofits often use the words differently.</p>

Main Street Lending Program
Nonprofit Organizations Comments

Event Title / Description	Ticket Type	Received Date	Last Name	First Name	Email Address	Affiliation	Comment
Staff Group - Main Street Lending Program - Nonprofit Organization Facilities	PIO (Email from Web)	6/22/2020 12:00:00 AM	Meiman	Colleen	cmeiman@nac hc.org	National Association of Community Health Centers	<p>We are writing on behalf of the more than 1,400 Federally Qualified Health Centers (FQHCs) across the country. FQHCs are community-based, non-profit organizations whose goal is to provide affordable, accessible health care for all individuals, regardless of their ability to pay. As explained below, we appreciate the Federal Reserve’s intention to expand Main Street Loans to non-profit organizations; however, after closely reviewing the draft Term Sheet, we have determined that almost no FQHCs would qualify for these loans under the current eligibility requirements. Therefore, we are requesting that:</p> <ul style="list-style-type: none"> the loan terms be revised to enable the majority of FQHCs to qualify, and FQHCs be permitted to work with Community Development Financial Institutions (CDFIs) to access Main Street loans, as CDFIs understand the unique FQHC model and collectively have provided more than \$2.1 billion in loans to FQHCs, with a default rate of less than 1/10th of 1%. <p>BACKGROUND ON FQHCs AND THE COVID-19 PANDEMIC</p> <p>As community-based, non-profit organizations committed to ensuring access to health care, FQHCs have been on the frontlines of the COVID-19 pandemic since the beginning. With more than 12,000 care delivery sites nationally, FQHCs provide care for nearly 30 million patients. Our patients have been disproportionately impacted by the pandemic, as 91% of them are low-income, 23% are uninsured, and 68% are racial and ethnic minorities, many of whom suffer from multiple chronic health conditions associated with poverty and the effects of racism.</p> <p>Throughout the pandemic, FQHCs have provided a range of critical front-line care and a growing proportion of testing, particularly in the low-income, minority communities they serve. At the same time, FQHCs have experienced a significant decline in revenue, due to the need to curtail many primary and preventive care visits. This combination has placed major financial strain on these non-profit, community-based providers, forcing them to close sites and lay off staff at the time when their services are most needed.</p> <p>While FQHCs have received some Federal funding to support COVID relief, for many FQHCs this funding is not enough to reestablish their pre-COVID level of operations, let alone prepare for the increased demand that will result as millions of newly-unemployed and uninsured individuals turn to them for care. To date, the Provider Relief Fund has offered most FQHCs only 2% of their net patient revenues; also, FQHCs with over 500 staff - which in total care for about 9 million patients - are ineligible for Paycheck Protection Loans because of their size.</p> <p>RECOMMENDATION TO EXPAND ELIGIBILITY CRITERIA TO ALLOW THE MAJORITY OF FQHCs TO QUALIFY</p> <p>For these reasons, NACHC was relieved to hear that the Small Business Administration will soon make Main Street Loans available to non-profit organizations with 50 to 15,000 employees. However, after reviewing the Terms Sheet, we determined that almost no FQHCs would qualify under the proposed eligibility criteria.</p> <p>This conclusion is based on an analysis conducted by Capital Link, a non-profit organization that receives funding from the Federal Department of Health and Human Services to assist FQHCs with accessing capital. Capital Link determined that under the proposed lending parameters:</p> <ul style="list-style-type: none"> Prior to the pandemic, only 13% of health centers would have met the combined criteria. This includes less than one in five of the FQHCs with over 500 staff, who are currently ineligible for the Paycheck Protection Program. Because of the significant cash declines experienced by FQHCs as a result of COVID-19, at present, far fewer than 13% would be able to meet the DCOH and Cash/Debt ratio at loan origination. <p>The most problematic financial parameters for FQHCs are:</p> <ul style="list-style-type: none"> EBIDA to unrestricted 2019 operating revenue greater than or equal to 5% Days cash on hand at loan origination equal to or greater than 90 days Ratio of unrestricted cash and investments to outstanding debt (including Main Street debt and CMS Accelerated and Advance Payments) at origination is 65% or greater <p>In order to provide a meaningful program for which approximately 60% of FQHCs would qualify, we request that the Federal Reserve adjust the following lending parameters for FQHCs loans as follows:</p> <ul style="list-style-type: none"> EBIDA to unrestricted 2019 operating revenue greater than or equal to 3% Days cash on hand at loan origination equal to or greater than 30 days Eliminate the unrestricted cash to debt ratio requirement Lower the minimum employee requirement to 20. <p>In addition, we ask that the Federal Reserve clarify the eligibility requirement that reads: ‘has not received specific support pursuant to</p>

Main Street Lending Program
Nonprofit Organizations Comments

Event Title / Description	Ticket Type	Received Date	Last Name	First Name	Email Address	Affiliation	Comment
							<p>the Coronavirus Economic Stabilization Act of 2020 (Subtitle A of Title IV of the CARES Act)." As you know, Section 4003 of Title IV authorizes the Federal government to make loans to States and municipalities for COVID-19 relief. It is possible that a state or municipality could receive a loan under Section 4003, and use part of it to support FQHCs or other safety net providers. To make clear that FQHCs or other providers who receive this type of support from their state are still eligible for Main Street Loans, we recommend that the term "specific support" be revised to read "direct support."</p> <p>REQUEST FOR FQHCs TO WORK DIRECTLY WITH CDFIs TO ACCESS MAIN STREET LOANS</p> <p>Finally, it is important to note that Community Development Financial Institutions (CDFIs) have historically played a major role in providing financing to FQHCs for decades. As such, they understand the FQHC model and are best positioned to underwrite loans to health centers. A coalition of 25 CDFIs who are members of the Lenders Coalition for Community Health Centers have collectively provided more than \$2.1 billion in loans to FQHCs, with a default rate of less than 1/10th of 1%.</p> <p>Unfortunately, very few CDFIs would qualify as eligible lenders under the program as it is currently construed. To enable FQHCs to work directly with lenders who best understand their model and needs, we recommend that the Federal Reserve structure the nonprofit portion of the Main Street Loan Program to:</p> <ul style="list-style-type: none"> Allow CDFIs to participate as lenders in the program; and Allow CDFIs to borrow from the Federal Reserve under the same terms as banks, which would enable CDFIs to offer interest rates to FQHCs at LIBOR +3% <p>We are providing these comments on short notice to accommodate the Federal Reserve's request. We would be happy to provide more detailed comments and/or provide additional information to assist the Federal Reserve in developing a program that will be responsive to the current needs of Federally Qualified Health Centers.</p>

Main Street Lending Program
Nonprofit Organizations Comments

Event Title / Description	Ticket Type	Received Date	Last Name	First Name	Email Address	Affiliation	Comment
Staff Group - Main Street Lending Program - Nonprofit Organization Facilities	PIO (Email from Web)	6/22/2020 12:00:00 AM	Dexter	Jennifer	jdexter@nhcouncil.org	National Health Council	<p>The National Health Council (NHC) appreciates the announcement of the Main Street Lending Program plan to provide credit access for nonprofit organizations. Patient groups have been and will be significantly harmed by reduced charitable giving, travel restrictions, fundraising event cancellations, and reduced meeting attendance due to COVID-19. The new loans will provide some assistance to these groups to offset these losses and help assure our nation's vital nonprofit infrastructure can weather this storm.</p> <p>Patient advocacy organizations serve the patients and communities we represent at no-cost. We are the groups helping people most impacted by the virus, those with underlying chronic conditions that often result in more severe cases of illness. We have seen significantly increased demand for our invaluable services during this public health emergency, while at the same time seeing significant reductions in revenue. In addition, the nonprofit sector is the third largest workforce in the U.S., behind retail and manufacturing. In order to continue our valuable work, it is critical that patient advocacy and community-based organizations and other nonprofits have access to loans to weather the growing economic burden of the COVID-19 pandemic.</p> <p>We commented in April that you provide explicit funding for nonprofits through an exclusive pathway within the Mid-Size Business Loan Program. This funding will support loans to nonprofit employers with up to 10,000 employees, since those with over 500 employees are barred from the CARES Act's small business lending.</p> <p>We also wrote that it was also imperative this program include loan forgiveness modeled after the CARES Act Section 1106. It does not appear that the proposed model includes forgiveness, and we urge you to consider creating a path to forgiveness in the final model for this program. We are working with Congress to help make sure that the Fed has the capacity to offer forgiveness, knowing that it may not be possible under current statute. Without this change, the expanded loan program may not be viable for many nonprofits.</p> <p>Another significant concern is the 30% limit on revenue from donations. This is a major disqualifier for most of the nonprofits of the size targeted for this program. These are some of the largest and most established nonprofits in the country and are also those significantly affected by the economic impact of COVID-19. As previously stated, the pandemic has created a massive shortfall of charitable giving, much of it associated with canceled in-person events such as walks, runs, and bike rides. We expect that once the virus is contained, many of these events will resume, and giving will return. But until that time, organizations who rely on donations desperately need targeted assistance. Without access to this loan program much of the scientific progress and advocacy these organizations lead will be lost.</p> <p>There are several other specific eligibility criteria included in the plan that are also of concern to the nonprofit patient advocacy groups. First, the Fed proposal requires high levels of liquidity; however, the pandemic has reduced liquidity and makes this a challenge. And nonprofits in general have lower levels of liquidity than for-profit entities due to the nature of their structure, accounting practices, and laws regulating tax-exemption. Second, the interest rates proposed are the same as for for-profit businesses. Both the Paycheck Protection Program and Economic Injury Disaster Loan provide lower interest rates for nonprofits and this program should be comparable. The fees, especially without access to loan forgiveness, will also be onerous. Third, the proposal includes a 70% balloon payment in 5 years. The economic impact of COVID-19 is likely to impact nonprofits for many years. We request that this payment schedule be extended or that nonprofits have the opportunity renegotiate terms before the end of the loan period. Finally, requiring unrestricted 2019 operating revenue be greater than or equal to 5% is overly restrictive for nonprofits facing financial difficulty.</p> <p>Again, we thank you for taking this unprecedented step of creating a loan program specifically targeted at mid-sized nonprofit organizations that have been hit so hard during this emergency. We look forward to working with you on the details to create a program that will be most effective for these critical organizations.</p>

Main Street Lending Program
Nonprofit Organizations Comments

Event Title / Description	Ticket Type	Received Date	Last Name	First Name	Email Address	Affiliation	Comment
Staff Group - Main Street Lending Program - Nonprofit Organization Facilities	PIO (Email from Web)	6/22/2020 12:00:00 AM	Kim	Gloria	kimg@humanservicescouncil.org	Human Services Council	<p>The Human Services Council (HSC) appreciates the opportunity to submit comment to the Federal Reserve about the Nonprofit Organization Loan Facilities. HSC fosters a diverse network of human service organizations. Together, we discuss ideas and take collective action on issues that impact the entire sector and those they serve. Through advocacy and collaboration, we support member organizations and their leaders in addressing their concerns of public policy, economic trends, and the regulatory environment. This proposal is aimed more at transactional nonprofits such as hospitals and institutions of higher ed than at nonprofits that have a larger reliance on donations from the public to support their missions. Indeed, many nonprofits pride themselves on offering their services at no charge. Recognizing that their business models are different, even if both types of charities are inherently organized around a public mission, many of the financial requirements included in this proposal simply are not applicable to organizations that rely on donations. With that in mind, we respectfully request the Federal Reserve to address the concerns and proposed changes outlined below.</p> <p>1. Congress Must Act to Ensure Mid-Sized Nonprofits are Eligible for Loan Forgiveness Congress must ensure that mid-sized nonprofits have access to loan forgiveness. While it is a welcome development to see the Federal Reserve making its Main Street lending program available to some nonprofits, this assistance still falls short of what is most needed by nonprofit organizations - a provision that makes these loans forgivable.</p> <p>In this critical time, nonprofits have stepped up to meet the unprecedented level of need in our country due to the COVID-19 pandemic. Even though they face many of the same economic challenges as other industries, nonprofits are not shutting down. Rather, they are straining to meet increasing demands in our communities on the frontlines, caring for the sick, feeding families, and keeping our communities connected. Furthermore, they will play an integral role as our nation recovers - providing child care, job training, and other core supports.</p> <p>Charitable nonprofits of all sizes and focus areas are struggling to maintain mission-critical operations despite enormous economic challenges. Data released by Independent Sector shows that nonprofits with between 500 to 5,000 employees, key to scaling relief efforts across the nation, have been severely impacted by this health and economic crisis. When asked "What types of additional assistance would be most helpful to your organization?" organizations overwhelmingly (92% of responses) suggested government support in the form of forgivable loans. Smaller nonprofits throughout the country have been hit equally hard.</p> <p>Nonprofit organizations need funding so they can continue to meet the needs of their communities. Many charitable organizations do not have steady streams of commercial income and have little capacity for loan and interest repayment. Furthermore, nonprofits are the third largest employment sector and many hope to hire more workers as their organizations recover. America cannot afford to leave out such a vital part of the economy.</p> <p>Recommendation: Congress must recognize the vital services nonprofits provide to communities and the economy by including loan forgiveness, in the next round of COVID-19 relief legislation</p> <p>2. The Fed's Proposal to Limit Loans to Mid-Size Nonprofits with Less than 30% of Revenue from Donations Disqualifies Many in Charitable Sector The Federal Reserve's criteria that organizations must have revenues from donations that are less than 30% disqualify many charities. Overall, this loan facility seems more applicable to for-profit entities, as well as educational institutions and nonprofit hospitals, but not most charitable organizations.</p> <p>The human services sector raises money and receives donations from the public, foundations, corporations and others to fund programs, and many do not receive revenue through direct services. Charitable organizations play a fundamental role in strengthening civil society. Nonprofit organizations provide vital services for all New Yorkers and the nation, and pride ourselves on the donations we receive rooted in the trust and support that the public has of the sector.</p> <p>Recommendation: Eliminate the requirement that no more than 30 percent of an organization's 2019 revenues come from donations, and instead make 501(c)(3) organizations that are otherwise meet the employee size are eligible.</p> <p>3. The Fed Needs to Make Loan Terms More Favorable to Charitable Organizations The draft Nonprofit Loan Facility imposes certain liquidity, asset, and reserve requirements that are not required in Main Street New Loan Facilities available to for-profit businesses.</p> <p>Nonprofit organizations typically provide services with low-profit margins. Indeed, social service organizations report an average aggregate</p>

Main Street Lending Program
Nonprofit Organizations Comments

Event Title / Description	Ticket Type	Received Date	Last Name	First Name	Email Address	Affiliation	Comment
							<p>margin of 1.5%. According to a recent report by Seachange Capital Partners, the median social services nonprofit has a margin of 1.0%, receives 3.6% of its revenue from philanthropy (including investment income), has total financial assets (including endowments and other assets that are subject to legal restrictions) equal to 1.9 months of expenses, and operating reserves of less than one month of expenses. Less than 20% of large nonprofits have 6 months or more of operating reserves, a widely accepted standard for “financial strength” for nonprofits. Social services organizations are the most fragile, with fewer than 10% reaching this standard.</p> <p>The statistics above should not be viewed as an indictment of the efficiencies or management policies of nonprofits. It is important to note that the vast majority of social service nonprofit funding comes from government grants contracts, recognizing the key role such organizations play in serving the most vulnerable. Numerous studies confirm that government funding seldom covers the full cost of providing contracted work, which inhibits nonprofits from accumulating reserves through surpluses. In many instances, government grant/contract work creates cash-flow challenges since it is paid after the work has been completed and can be subject to significant delays in payment.</p> <p>Recommendation: Recognizing the unique nature of nonprofit operations and their importance in continuing to provide vital services as partners on the front lines of the COVID-19 crisis, we urge the Federal Reserve to eliminate borrower requirements 7 and 8. If this is not possible, we alternatively ask that the requirements be lessened significantly to reflect the economic realities of nonprofit operations, for example by requiring only 30 days cash on hand, and bringing the loan origination ratio of 40-50% (down from 65% as proposed).</p> <p>We are also concerned that certain eligible loan features are too onerous for nonprofit organizations and are less favorable than those offered in other government programs. Specifically, the interest rate of LIBOR plus 300 basis points is significantly higher than that offered for Paycheck Protection Program (“PPP”) Loans (1.0%) and that for Economic Injury Disaster Loans (2.75%). In addition, the imposition of loan origination and service fees adds to the cost under the Nonprofit Facility. Finally, the notion that nonprofits would be faced with a 70% balloon payment at the end of the fifth year of the loan would be off-putting for many nonprofits. Nonprofits with existing loans with balloon payments are usually provided an opportunity to renegotiate such loans at prevailing market rates.</p> <p>Recommendation: We urge that the loan terms including interest rate and balloon payments be revisited and recommend the lowest permissible rate such as the 0.5% rate initially proposed for PPP loans. In addition, we urge some flexibility in the balloon payment requirement to afford the opportunity for renegotiation. If the 5-year amortization were extended to 7 years, this could lessen the balloon payment. We request that the borrower have access to engage with derivatives (change to a fixed rate) without the minimum swap requirements.</p> <p>4. The Ratio of Adjusted 2019 Earnings before “EBIDA” Should Be Revised In the “Draft for Public Consultation,” for both the Nonprofit Organization New Loan Facility and the Nonprofit Organization Expanded Loan Facility, one of the eligibility criteria for borrowers is that they must have “a ratio of adjusted 2019 earnings before interest, depreciation, and amortization (“EBIDA”) to unrestricted 2019 operating revenue, greater than or equal to 5%.” (#6) In the context of nonprofit operations, this threshold is too high and would make many, if not most, nonprofits ineligible based on these criteria alone, which seems written more in the context of for-profit businesses as opposed to nonprofit organizations.</p> <p>It may certainly be prudent and necessary to have a positive ratio of adjusted earnings; however, nonprofits generally run on a small margin, both out of necessity and also so as to not leave excess surpluses that could be used for fulfilling their missions. Moreover, at times a nonprofit may have a planned and manageable deficit as part of a strategic plan-a negative ratio at one isolated point is not always an indication of instability.</p> <p>Furthermore, the footnotes for criteria #6 clarify that “The Eligible Lender should calculate operating revenue as unrestricted operating revenue, excluding funds committed to be spent on capital.” Many nonprofits have “restricted revenue” through grants and contracts built into their operating budgets. Excluding this revenue would compound the problem of meeting the 5% ratio. Although it would be sensible to exclude contributions raised for a “capital campaign,” excluding other capital funds included in an annual budget for maintenance and planned upgrades would further decrease the required ratio.</p> <p>Recommendation: The 5% requirement should be reduced to zero, if not eliminated. In addition, a statement of explanation of a deficit should be allowed so that a negative ratio does not mean automatic ineligibility for a nonprofit borrower. Finally, further clarification on the calculation methodology -in the context of nonprofit operating budgets- is needed in regard to both restricted funding from grants in annual operating budgets, as well as capital funds for improvements that are part of an annual operating budget. This clarification would allow noted revenues to remain in calculation to ease the restriction and not further restrict eligibility.</p>

Main Street Lending Program
Nonprofit Organizations Comments

Event Title / Description	Ticket Type	Received Date	Last Name	First Name	Email Address	Affiliation	Comment
							<p>5. "Reasonable Efforts" Regarding Employee Retention Require Further Clarification The description of "Retaining Employees" in the draft term sheet requires refinement if the Federal Reserve expects nonprofits to take advantage of this facility. We endorse the analysis of the National Council of Nonprofits on the issue of employee retention, and recommend the following:</p> <p>Recommendation: "Reasonable efforts" should be interpreted in the totality of the circumstances, taking into consideration not only the general economic environment in the community or communities in which the borrower operates, but also factors such as workforce, fundraising ability, revenue-generating activities, and overall demand for the services and programs the organization provides. One option would be to add the qualifier "mission-based" before "reasonable efforts."</p> <p>Recommendation: The terms "maintain its payroll" and "retain its employees" are vague and need further refinement. We ask the Federal Reserve to make clear that nonprofits participating in the Main Street loan program generally should endeavor to pay staff at the same or increased income levels and should act in good faith to keep staffing levels (measured on the basis of full-time equivalents) at the same or increased levels, both for the duration of the loan. It is also important that the loan documents expressly state that the employee retention provision begins on the date that loan funding is received by the borrower rather than at an earlier date.</p> <p>Recommendation: We ask that the Federal Reserve adopt safe harbors of other loan programs and state clearly that nonprofit borrowers will not be penalized under the employee retention provision for the decision of employees to decline offers of rehire, or for those who are fired for cause, voluntarily resign, or voluntarily request a reduced schedule during the time that the loan is outstanding.</p> <p>6. Limitation of 50-Employee Minimum Should Be Removed The term sheet for the proposed nonprofit loan facility imposes a size minimum that is not imposed in the Main Street New, Priority, or Expanded Loan Facilities for for-profit businesses. There is no explanation why the Federal Reserve is proposing that nonprofits with fewer than 50 employees should not be eligible for Main Street loans for which their small business counterparts of equal size could secure lending support.</p> <p>Many of the nonprofits in our network are on the frontlines of this pandemic, working with fewer than 50 employees to address immediate and growing needs. These vital organizations would be arbitrarily excluded from important loan program.</p> <p>Recommendation: The 50-employee floor should be removed.</p> <p>7. Additional Recommendations and Requests for Clarification We respectfully request the Federal Reserve clarify the following issues in its final expansion notice. Endowment: What resources should be included in endowment calculations? Does it include restricted endowments? Does it extend to include cash on hand? Collateral: Flexibility on collateral is requested. The loan should be able to be approved with no more than 50% Loan to Value (LTV) if collateral is needed. Other Debts: The proposal requires that borrowers, "refrain from repaying the principal balance of, or paying any interest on, any debt until the Eligible Loan is repaid in full, unless the debt or interest payment is mandatory and due." We request that this exclude lines of credit and other debt that are assumed to provide financial liquidity related to the impact of COVID-19.</p>
Staff Group - Main Street Lending Program - Nonprofit Organization Facilities	PIO (Email from Web)	6/22/2020 12:00:00 AM	Brissette	Renee	rbrissette@svd pri.org	SVDP Rhode Island	It is important that small non-profits with less than 50 employees be included. We are also concerned with flexibility as to payback, loan forgiveness, and what funds can be used for, including but not limited to refinancing debt already had, purchasing equipment/supplies needed for business to continue, or meet new or expanded demand/need.

Main Street Lending Program
Nonprofit Organizations Comments

Event Title / Description	Ticket Type	Received Date	Last Name	First Name	Email Address	Affiliation	Comment
Staff Group - Main Street Lending Program - Nonprofit Organization Facilities	PIO (Email from Web)	6/22/2020 12:00:00 AM	Barnes	Tori	vbarnes@ustravel.org	U.S. Travel Association	<p>To Whom It May Concern,</p> <p>Thank you for considering expanding the Main Street Lending Program to provide relief to credit for nonprofit organizations. However, as the leading voice for the travel community, we are extremely concerned that under the current proposal, only 501(c)(3) and 501(c)(19) organizations will be able to access such relief, leaving out most Destination Marketing Organizations (DMOs), which are often classified as 501(c)(6) or 501(c)(4) organizations.</p> <p>As you know, 501(c)(3) and 501(c)(19) organizations have been able to access to the Paycheck Protection Program (PPP), while 501(c)(6) and 501(c)(4) are ineligible for PPP and have been unable to access adequate relief under the Economic Injury Disaster Loans (EIDL)-forcing many to severely downsize their staff or shut down completely. The CARES Act was meant to be a lifeline to employers of all shapes and sizes, yet for many nonprofits, including DMOs, CARES Act relief was not been available to them.</p> <p>The travel industry workforce has been disproportionately harmed by the economic slowdown caused by COVID-19-losing more than 8 million jobs, which accounts for more than half (51%) of the travel industry's workforce. Currently, the unemployment rate in the travel industry is more than twice the national unemployment rate during the worst point of the Great Depression.</p> <p>DMOs play a critical role in the travel industry, supporting local travel markets through tourism management and convention and meeting sales-connecting travelers with the travel businesses that would otherwise be ignored by mainstream media outlets and consumer channels. We ask that you include the following changes to the Main Street Lending Program to ensure DMOs, as a key component of the travel economy supply chain, can remain afloat during this difficult time:</p> <p>Allow 501(c)(6) and 501(c)(4) organizations to access the Main Street Lending Program. Increase the donation cap to 50% if the donations are automatic contributions based on a formula. Allow the maturity term to extend to 10 years upon request by the borrower. Reduce the minimum years of operations requirement to 2 years. For the new loan program, allow the maximum loan size to be the lesser of \$50 million or half of the borrower's annual revenue. Lower the interest rate to 2% + LIBOR. Reduce the minimum loan size to \$100,000. Allow nonprofits with as low as 20 employees to qualify for the loans.</p> <p>With these changes, significant progress can be made to save DMOs and lay the groundwork for economic recovery. It's clear, with the travel industry accounting for a full third of all jobs lost since March, there can be no economic recovery without a strong travel recovery-and DMOs will play a critical role in that effort.</p> <p>Thank you for your time and attention to this important matter.</p> <p>Sincerely, Tori Barnes</p>
Staff Group - Main Street Lending Program - Nonprofit Organization Facilities	PIO (Email from Web)	6/22/2020 12:00:00 AM	Hunter	Pamela	info@kingstonchambermusic.org	Kingston Chamber Music Festival	<p>The Kingston Chamber Music Festival has been presenting chamber music concerts to audiences in southern Rhode Island and beyond for the past 31 years. This year, due to COVID-19, we will be presenting our festival online. We are able to retain our one-person full-time staff member because of the support we received through the CARES Act and are truly grateful for this assistance. We are hoping that the loan will be forgiven and ask you to consider this option as we are facing a revenue loss of \$70,000 due to a lack of ticket sales. Our total budget is \$250,000 so this is very impactful. Again, we are sincerely thankful for your support.</p>

Main Street Lending Program
Nonprofit Organizations Comments

Event Title / Description	Ticket Type	Received Date	Last Name	First Name	Email Address	Affiliation	Comment
Staff Group - Main Street Lending Program - Nonprofit Organization Facilities	PIO (Email from Web)	6/22/2020 12:00:00 AM	Mateer	Tanya	tmateer@thomchild.org	Thom Child & Family Services	<p>The non-profit agency I help lead has a 100 year history of helping families in Massachusetts. Last year, we delivered home visiting services to over 15,000 infants and toddlers. Our skilled staff of 864 professionals made this possible. And yet, because there are more than 500 of us, we were left without support for sick leave, paycheck protection, and forgivable loans. We are held to different criteria for the employee retention credit. We are left out of the economic stimulus that is essential for our organization's survival.</p> <p>The lack of cash flow to our agency and others like ours has led to job loss and has delayed job creation. The longer term impact is that communities, families, and our service sector will suffer for decades. Across the country, programs like ours are closing, furloughing staff, and stopping services to children who need our help.</p> <p>With access to favorable lending terms and with the same stimulus funding that was offered to smaller non-profits, we could start calling back to work our furloughed staff. We could continue to support children and families. We could avoid an erosion of our social service sector. Necessarily, however, the eligibility criteria ratio of, "adjusted 2019 EBIDA to unrestricted 2019 operating revenue, greater than or equal to 5%", excludes nearly every social service nonprofit known to us. This criteria is burdensome, unnecessary, and rewards nonprofit agencies that have chosen to retain a high earnings margin. To support nonprofits and economic recovery, this criteria must be removed.</p>
Staff Group - Main Street Lending Program - Nonprofit Organization Facilities	PIO (Email from Web)	6/22/2020 12:00:00 AM	Holland	Anne	Personal Email Address	What Cheer Flower Farm	<p>The vast bulk of nonprofits - nearly 70% - have fewer than 50 employees. During these economic times, these smaller organizations have far less fat to cut from the budget. Without government support, many will go under. This costs jobs and also costs the community the benefits of the organization. I would strongly argue that the smaller organizations are more likely to make every dollar count toward their mission.</p> <p>Therefore, main street loans for nonprofits should include those with one or more employees. Limiting this is organizations with 50+ employees will do terrible harm. This will particularly impact my own state, Rhode Island, which is the smallest state in the US. Many of our essential organizations are also quite small in staff-size. A 50-person organization is large for RI. The vast majority of nonprofits here are far smaller. They deserve federal help too.</p> <p>Thank you</p>
Staff Group - Main Street Lending Program - Nonprofit Organization Facilities	PIO (Email from Web)	6/22/2020 12:00:00 AM	Cividanes-Lago	Carmen	Personal Email Address	Association of Private Colleges and Universities of Puerto Rico	<p>Asociación de Colegios y Universidades Privadas de Puerto Rico (ACUP) [Association of Private Colleges and Universities of Puerto Rico] is supportive of the comments submitted by the American Council on Education (ACE) on June 22, 2020. Thank you for your attention to this matter. Yours sincerely.</p>

Main Street Lending Program
Nonprofit Organizations Comments

Event Title / Description	Ticket Type	Received Date	Last Name	First Name	Email Address	Affiliation	Comment
Staff Group - Main Street Lending Program - Nonprofit Organization Facilities	PIO (Email from Web)	6/22/2020 12:00:00 AM	Cross	Ray	rcross@uwsa.edu	University of Wisconsin System	<p>The University of Wisconsin (UW) System has been exploring a range of options for short-term cash flow to assist with possible contingencies as a result of the COVID-19 pandemic. For example, we have sought a change in state law to provide the UW System with a line of credit, and we have exercised a flexibility provided in the CARES Act to temporarily withhold the employer share of payroll taxes. The proposed requirements for the Nonprofit Organization Expanded Loan Facility and the Nonprofit Organization New Loan Facility under the Main Street Lending Program would prohibit the UW System from participating. We respectfully ask that eligibility thresholds be expanded for public universities and systems of higher education to ensure access for these entities to the program.</p> <p>We request consideration for changes in the following areas:</p> <p>Program eligibility criteria require borrowers be "a tax-exempt nonprofit organization described in section 501(c)(3) of the Internal Revenue Code." As a public system of higher education, the UW System does not have 501(c)(3) status, but it is instead organized as an entity of the State of Wisconsin. Though the proposal notes that other forms of organizations may be considered for inclusion as a nonprofit organization, we request specific language to ensure all public colleges and universities are eligible.</p> <p>As one of the largest higher education systems in the country, the UW System, with 13 institutions at 26 locations, would exceed the caps for number of employees (15,000), annual 2019 revenue (\$5 billion), and size of endowment (\$3 billion). We ask that these restrictions be removed to ensure all public higher education institutions, regardless of size, may participate.</p> <p>Higher education institutions will likely feel the effects of COVID-19 for several years. Enrollment impacts continue throughout the years in which a cohort class advances through its degree programs. In addition, until the state's and nation's economies recover, appropriations to public institutions may be lower. We request a longer repayment period and a longer interest deferment period to ensure public higher education institutions are in a stronger financial position before loan payments are due.</p> <p>Given the important role that public institutions of higher education play in their communities and regions, and the economic impact they will have as our economy recovers, we are interested in exploring any flexibility that increases options for addressing future liquidity. To the extent we can provide any information to illustrate our current situation and the need for short-term cash flow, please feel free to reach out.</p>

Main Street Lending Program
Nonprofit Organizations Comments

Event Title / Description	Ticket Type	Received Date	Last Name	First Name	Email Address	Affiliation	Comment
Staff Group - Main Street Lending Program - Nonprofit Organization Facilities	PIO (Email from Web)	6/22/2020 12:00:00 AM	Whelan	Frank	fwhelan@hcpsocal.org	Health Center Partners	<p>We are writing on behalf of Health Center Partners of Southern California (HCP). Federally Qualified Health Centers (FQHCs) are community-based, non-profit organizations whose goal is to provide affordable, accessible health care for all individuals, regardless of their ability to pay. As explained below, we appreciate the Federal Reserve's intention to expand Main Street Loans to non-profit organizations; however, after analyzing the draft Term Sheet, we have determined that almost no FQHCs would qualify for these loans under the current eligibility requirements. Therefore, we are requesting that:</p> <ul style="list-style-type: none"> the loan terms be revised to enable the majority of FQHCs to qualify, and FQHCs be permitted to work with Community Development Financial Institutions (CDFIs) to access Main Street loans, as CDFIs understand the unique FQHC model and collectively have provided more than \$2.1 billion in loans to FQHCs, with a default rate of less than 1/10th of 1%. <p>Background on HCP and FQHCs</p> <p>On behalf of our 16 member organizations, which serve 858,757 patients for 3.6 million visits each year, in 140 practice locations, in the three southernmost California counties of San Diego, Imperial, and Riverside, we hope you will recognize how desperately the health care delivery system is in need of additional resources. As community-based, non-profit organizations committed to ensuring access to health care, FQHCs have been on the frontlines of the COVID-19 pandemic since the beginning and fulfill an irreplaceable role in our country's health care system. With more than 12,000 care delivery sites nationally, FQHCs provide care for nearly 30 million patients, including 7.2 million Californians. Our patients have been disproportionately impacted by the pandemic, as 91% of them are low-income, 23% are uninsured, and 68% are racial and ethnic minorities, many of whom suffer from multiple chronic health conditions associated with poverty and the effects of racism.</p> <p>During a public health emergency, FQHCs provide triage, treatment, and referrals in addition to working in partnership with the local health departments and states. FQHCs are uniquely positioned to assist in the fight against the spread of COVID-19 because they are rooted in the communities they serve, and are trusted sources of care for anyone that walks through their doors.</p> <p>Health centers are implementing drive-up, walk-up, and mobile COVID-19 testing centers, and they are working with local health departments to bring testing to the homeless populations throughout the country. It is essential that FQHCs have access to low-cost funding that can be used to offset losses attributable to COVID-19, as well as the costs of testing and treatment. This will enable health centers to re-employ staff in an effort to continue to expand services and outreach and to respond to COVID-19. This is especially critical as more and more people lose their jobs and become eligible for Medicaid. FQHCs anticipate that their patient caseload will increase significantly as a result.</p> <p>FQHCs have experienced a significant decline in revenue, due to the need to curtail many primary and preventive care visits. This combination has placed major financial strain on these non-profit, community-based providers, forcing them to close sites and lay off staff at the time when their services are most needed.</p> <p>While FQHCs have received some Federal funding to support COVID relief, for many FQHCs this funding is not enough to reestablish their pre-COVID level of operations, let alone prepare for the increased demand that will result as millions of newly-unemployed and uninsured individuals turn to them for care. To date, the Provider Relief Fund has offered most FQHCs only 2% of their net patient revenues; also, FQHCs with over 500 staff - which in total care for about 9 million patients - are ineligible for Paycheck Protection Loans because of their size.</p> <p>Recommendation to expand eligibility criteria to allow majority of FQHCs to qualify:</p> <p>Because of these financial needs, HCP was relieved to learn that the Federal Reserve would soon start offering Main Street Loans to non-profits. However, after reviewing the proposed Terms Sheet, we have concluded that almost no FQHCs would qualify under the proposed eligibility criteria.</p> <p>This conclusion is based on an analysis conducted by Capital Link, a non-profit organization that receives funding from the Federal Department of Health and Human Services to assist FQHCs with accessing capital. Capital Link determined that under the proposed lending parameters: Prior to the pandemic, only 13% of health centers would have met the combined criteria. This includes less than one in five of the FQHCs with over 500 staff, who are currently ineligible for the Paycheck Protection Program. Because of the significant cash declines experienced by FQHCs as a result of COVID-19, at present, far fewer than 13% would be able to meet the DCOH and Cash/Debt ratio at loan origination.</p> <p>The most problematic financial parameters for FQHCs are:</p>

Main Street Lending Program
Nonprofit Organizations Comments

Event Title / Description	Ticket Type	Received Date	Last Name	First Name	Email Address	Affiliation	Comment
							<p>EBIDA to unrestricted 2019 operating revenue greater than or equal to 5%</p> <p>Days cash on hand at loan origination equal to or greater than 90 days</p> <p>Ratio of unrestricted cash and investments to outstanding debt (including Main Street debt and CMS Accelerated and Advance Payments) at origination is 65% or greater</p> <p>In order to provide a meaningful program for which approximately 60% of FQHCs would qualify, we request that the Federal Reserve adjust the following lending parameters for FQHCs loans as follows:</p> <p>EBIDA to unrestricted 2019 operating revenue greater than or equal to 3%</p> <p>Days cash on hand at loan origination equal to or greater than 30 days</p> <p>Eliminate the unrestricted cash to debt ratio requirement</p> <p>Lower the minimum employee requirement to 20.</p> <p>In addition, we ask that the Federal Reserve clarify the eligibility requirement that reads: "has not received specific support pursuant to the Coronavirus Economic Stabilization Act of 2020 (Subtitle A of Title IV of the CARES Act)." As you know, Section 4003 of Title IV authorizes the Federal government to make loans to States and municipalities for COVID-19 relief. It is possible that a state or municipality could receive a loan under Section 4003, and use part of it to support FQHCs or other safety net providers. To make clear that FQHCs or other providers who receive this type of support from their state are still eligible for Main Street Loans, we recommend that the term "specific support" be revised to read "direct support."</p> <p>Request for FQHCs to work directly with CDFIs to access Main Street Loans</p> <p>Finally, it is important to note that Community Development Financial Institutions (CDFIs) have historically played a major role in providing financing to FQHCs for decades. As such, they understand the FQHC model and are best positioned to underwrite loans to health centers. A coalition of 25 CDFIs who are members of the Lenders Coalition for Community Health Centers have collectively provided more than \$2.1 billion in loans to FQHCs, with a default rate of less than 1/10th of 1%.</p> <p>Unfortunately, very few CDFIs would qualify as eligible lenders under the program as it is currently construed. To enable FQHCs to work directly with lenders who best understand their model and needs, we recommend that the Federal Reserve structure the nonprofit portion of the Main Street Loan Program to:</p> <ul style="list-style-type: none"> Allow CDFIs to participate as lenders in the program; and Allow CDFIs to borrow from the Federal Reserve under the same terms as banks, which would enable CDFIs to offer interest rates to FQHCs at LIBOR +3% <p>We are providing these comments on short notice to accommodate the Federal Reserve's request. We would be happy to provide more detailed comments and/or provide additional information to assist the Federal Reserve in developing a program that will be responsive to the current needs of Federally Qualified Health Centers.</p>
Staff Group - Main Street Lending Program - Nonprofit Organization Facilities	PIO (Email from Web)	6/22/2020 12:00:00 AM	Ingolia	Chuck	stephaniek@thenationalcouncil.org	The National Council for Behavioral Health	<p>On behalf of the National Council for Behavioral Health (NCBH), a nonprofit association composed of more than 3,300 Community Mental Health Centers and community behavioral health organizations serving more than 10 million low-income Americans with serious mental health and substance use disorders, thank you for the opportunity to provide comments on the Nonprofit Organization New Loan Facility, authorized by the Federal Reserve Act. Without increased access to lending programs intended to sustain payroll and retain employees, many mental health and substance use service providers are at risk, a circumstance that could leave hundreds of thousands without access to appropriate and desperately needed treatment and care. A lack of access to adequate mental and substance use care will lead many Americans to utilization of emergency services, over-crowding community hospital emergency departments and drastically increasing health care costs. As such, NCBH strongly supports the Nonprofit Organization New Loan Facility eligibility that would include nonprofit organizations employing up to 15,000 employees or with 2019 annual revenue up to \$5 billion.</p>

Main Street Lending Program
Nonprofit Organizations Comments

Event Title / Description	Ticket Type	Received Date	Last Name	First Name	Email Address	Affiliation	Comment
Staff Group - Main Street Lending Program - Nonprofit Organization Facilities	PIO (Email from Web)	6/22/2020 12:00:00 AM	Beaton	Joy	jbeaton@fclf.org	Florida Community Loan Fund	<p>The Florida Community Loan Fund (FCLF) is a nonprofit CDFI revolving loan fund certified by Treasury since 1996. Over the past 25 years FCLF has provided over \$449 million in financing into projects valued at over \$1.2 billion.</p> <p>FCLF appreciates this opportunity to provide comment on the Federal Reserve's proposal to expand the Main Street Program to Nonprofits.</p> <p>We would like to specifically suggest that the Federal Reserve:</p> <ul style="list-style-type: none"> - 1. Reduce the minimum number of employees' eligibility range criteria to 15 employees. - Rationale: Many Nonprofit organizations employ fewer than 50 employees. For example FCLF employs a staff of only 17 and nonprofits to which we provide financing range in size from a low of 3-5 employees to 100+ employees. We suggest that the number of employees is not necessarily the best metric to be used in determining eligibility because it may exclude organizations doing important work that contribute significantly to supporting the economy and the social fabric of communities for persons and places outside the economic mainstream. These same communities are disproportionately affected by poverty and the pandemic. - 2. Ensure that nonprofit Community Development Financial Institutions (CDFIs) are eligible to apply to the Main Street Program. - Rationale: CDFIs are important community development financial intermediaries that in many cases specialize in financing Nonprofits. These CDFIs have capacity, knowledge and experience in utilizing and leveraging capital in support of other nonprofit organizations. As such, CDFIs should be ensured access to Main Street Program's loans for direct support of their ongoing lending operations or as additional loan capitol. - 3. The Federal Reserve should consider partnering with CDFIs in the administration and deployment of Main Street Program funding. - Rationale: CDFIs are mission-driven, effective and efficient underwriters and lenders of capital to the Nonprofit Sector. CDFIs have already participated effectively in expanding the Treasury's Payroll Protection Program to Nonprofits nationwide. In addition many CDFIs, like FCLF, have extensive track records of making multi-year loans in amounts of \$250,000-\$6 million or more that are routinely based on examining Nonprofit Borrower operating performance, liquidity, ability to repay debt; and operational histories.

Main Street Lending Program
Nonprofit Organizations Comments

Event Title / Description	Ticket Type	Received Date	Last Name	First Name	Email Address	Affiliation	Comment
Staff Group - Main Street Lending Program - Nonprofit Organization Facilities	PIO (Email from Web)	6/22/2020 12:00:00 AM	Gulliford	Deanna	dgulliford@gesmn.org	Goodwill-Easter Seals Minnesota	<p>Subject: Main Street Lending Program for Nonprofits - NONLF and NOELF</p> <p>To Whom It May Concern:</p> <p>As a leading workforce development organization, Goodwill-Easter Seals Minnesota provides education, job training and placement services to more than 6,000 Minnesotans every year. We were significantly impacted by the retail closures due to the pandemic and the Minnesota Governor's Stay at Home mandate. With 50 Goodwill stores in Minnesota closed for more than 2 months, we find ourselves in uncharted financial territory. And, as a nonprofit with more than 500 employees, we have not qualified for any of the federal relief programs. The recent civic unrest in Minneapolis and St. Paul created another layer of complication for our financial picture with property destroyed in both cities.</p> <p>Goodwill-Easter Seals appreciates the opportunity to submit comment to the Federal Reserve about the Nonprofit Organization Loan Facilities. Nonprofit business models vary widely, but all charities are inherently organized around a public mission. Many of the financial requirements included in this proposal simply are not applicable to organizations that rely on donations. With that in mind, Goodwill-Easter Seals respectfully requests the Federal Reserve to address the concerns and proposed changes outlined below.</p> <p>1. The Ratio of Adjusted 2019 Earnings before "EBIDA" Should Be Revised In the "Draft for Public Consultation," for both the Nonprofit Organization New Loan Facility and the Nonprofit Organization Expanded Loan Facility, one of the eligibility criteria for borrowers is that they must have "a ratio of adjusted 2019 earnings before interest, depreciation, and amortization ("EBIDA") to unrestricted 2019 operating revenue, greater than or equal to 5%." In the context of nonprofit operations, this threshold is too high and would make many, if not most, nonprofits ineligible based on these criteria alone. This seems written more in the context of for-profit businesses as opposed to nonprofit organizations. It may certainly be prudent and necessary to have a positive ratio of adjusted earnings; however, nonprofits generally run on a small margin, both out of necessity and also so as to not leave excess surpluses that could be used for fulfilling our mission.</p> <p>Recommendation: The 5% requirement should be reduced to 3%, if not completely eliminated.</p> <p>2. Loans must be expedited Nonprofits like Goodwill-Easter Seals are at a critical economic juncture in which timing is of the essence. We must secure additional funding in the very near term or significant financial challenges will need to be addressed. While loan forgiveness is also a top priority, Congress could act retroactively once loans are already approved.</p> <p>Recommendation: Finalize the rules as soon as possible and ensure nonprofits have access to funds within the next few weeks.</p> <p>3. Congress Must Act to Ensure Mid-Sized Nonprofits are Eligible for Loan Forgiveness Congress must ensure that mid-sized nonprofits have access to loan forgiveness. While it is a welcome development to see the Federal Reserve making its Main Street lending program available to some nonprofits, this assistance still falls short of what is most needed by nonprofit organizations - a provision that makes these loans forgivable.</p> <p>In this critical time, nonprofits like Goodwill-Easter Seals have stepped up to meet the unprecedented level of need in our country due to the COVID-19 pandemic. Even though we face many of the same economic challenges as other industries, nonprofits are not shutting down. Rather, we are straining to meet increasing demands in our communities and will play an integral role as our nation recovers - providing job training and other core supports.</p> <p>Recommendation: Congress must recognize the vital services nonprofits provide to communities and the economy by including loan forgiveness - especially for these Main Street Loans.</p> <p>4. More Favorable Loan Terms for Charitable Organizations Are Needed The proposal imposes certain liquidity, asset, and reserve requirements that are not required in Main Street New Loan Facilities available to for-profit businesses. Nonprofit organizations typically provide services with low-profit margins and only a few months of operating reserves.</p> <p>Recommendation: Recognizing the unique nature of nonprofit operations and their importance in continuing to provide vital services as partners on the front lines of the COVID-19 crisis, we urge the Federal Reserve to eliminate borrower requirements 7 and 8 related to liquid</p>

Main Street Lending Program
Nonprofit Organizations Comments

Event Title / Description	Ticket Type	Received Date	Last Name	First Name	Email Address	Affiliation	Comment
							<p>assets and cash to debt ratio. While these may be standard bank loan requirements, nonprofits are in crisis and need funds to stabilize operations.</p> <p>We are also concerned that certain eligible loan features are too onerous for nonprofit organizations and are less favorable than those offered in other government programs. Specifically, the interest rate of LIBOR plus 300 basis points is significantly higher than that offered for Paycheck Protection Program ("PPP") Loans (1.0%) and that for Economic Injury Disaster Loans (2.75%). In addition, the imposition of loan origination and service fees adds to the cost under the Nonprofit Facility. Finally, the notion that nonprofits would be faced with a 70% balloon payment at the end of the fifth year of the loan would be off-putting for many nonprofits. Nonprofits with existing loans with balloon payments are usually provided an opportunity to renegotiate such loans at prevailing market rates.</p> <p>Recommendation: We urge that the loan terms including interest rate and balloon payments be revisited and recommend the lowest permissible rate such as the 0.5% rate initially proposed for PPP loans. In addition, we urge some flexibility in the balloon payment requirement to afford the opportunity for renegotiation. If the 5-year amortization were extended to 7 years, this could lessen the balloon payment.</p> <p>With the onset of the COVID-19 pandemic, the organizational challenges have been significant for Goodwill-Easter Seals and other larger nonprofits who have not qualified for any federal assistance due to size restrictions (500+ employees). We appreciate your attention to these comments and believe that the inclusion of these provisions will directly help charitable nonprofits respond to the fallout from this pandemic and will continue to serve our communities as we move into recovery.</p> <p>Sincerely,</p> <p>Dr. Michael Wirth-Davis</p> <p>Dr. Michael Wirth-Davis, D.P.A. President and CEO Goodwill-Easter Seals Minnesota</p>
Staff Group - Main Street Lending Program - Nonprofit Organization Facilities	PIO (Email from Web)	6/22/2020 12:00:00 AM	Rock	Michael	mrock@aha.org	American Hospital Association	The American Hospital Association (AHA) appreciates the opportunity to comment on the proposed Nonprofit Organization New Loan Facility Term Sheet and proposed Nonprofit Organization Expanded Loan Facility Term Sheet. Our full comments will be submitted by email and are focused on increasing the possibility that hospitals around the country can make use of this potentially vital loan facility and on easing the daunting conditions imposed on hospitals in the midst of a public health crisis with devastating financial effects.

Main Street Lending Program
Nonprofit Organizations Comments

Event Title / Description	Ticket Type	Received Date	Last Name	First Name	Email Address	Affiliation	Comment
Staff Group - Main Street Lending Program - Nonprofit Organization Facilities	PIO (Email from Web)	6/22/2020 12:00:00 AM	Cavazos	Ramiro A.	RCavazos@us hcc.com	United States Hispanic Chamber of Commerce	<p>Introduction The United States Hispanic Chamber of Commerce (USHCC) actively promotes the economic growth, development and interests of more than 4.8 million Hispanic-owned businesses that aggregately contribute over \$800 billion to the American economy every year. We also serve as a platform for our nationwide network of over 250 local Hispanic chambers of commerce. Given the growing diversity in communities across the nation, the face of business ownership in America is changing, with minority-owned firms driving growth in new business formation. In fact, Latinos open businesses at three times the rate of the national average and Latinas open businesses at six times the rate.</p> <p>Minority Business Enterprises (MBEs) have been succeeding in spite of the many historical barriers minority entrepreneurs face as they work to start and grow a business. MBEs are two to three times more likely to be denied business loans, have one third of the annual gross revenues when compared to non-minority owned companies, and are half as likely to have at least one employee on payroll. When we fail to invest in minority-owned firms, our economy suffers.</p> <p>Problems and solutions Problem: Current minimum loan amount limits ability to reach most of Main Street Solution: Lower minimum borrowing limit to \$50,000 Context: The majority of our 4.8 million business owners will not be covered by this program. In our estimation a \$250,000 loan assuming a 2x EBITDA (Earnings before interest, taxes, depreciation and amortization) and a 10% profitability implies a \$1.2 million in revenue. Only 1.7% of our business have revenues above \$1 million. However, we see the validity of saving and supporting these businesses, which are significant as job creators to reestablish the American economy through this proposed lending structure.</p> <p>Problem: Limiting support to debt limits potential and speed of recovery Solution: Expand structure to inclusion equity Context: the current levels of uncertainty and the inability of many otherwise viable business owners to incur an additional debt requires the creation of equity solutions. These types of solutions have been used in the past, such as in the Public Private Investment Partnership. This will allow firms to create more flexible and closer to optimal capital structures, allowing them to go back to productivity and job creation, and will in fact allow businesses to utilize more debt.</p> <p>Problem: Allowing only banks to participate will limit reach and speed of recovery Solution: Allow other types of lenders to participate Context: Inclusion of a wider variety of lenders including debt and equity asset managers, CDFIs and diverse lenders who know our community will vastly help the Federal Reserve achieve its goals. These lenders are critical to ensure that the funds from these financial facilities make it into the hands of businesses on actual "Main Street", minority communities, and the most vulnerable businesses affected by the COVID-19 pandemic. Many of our businesses are small and need community lenders including CDFI's to support them with capital, with size of checks up to \$500,000. But beyond those needs there is a next tier of solid businesses, across many industries, that need larger size of checks, both debt and equity, provided by value add capital providers, many of which are minority owned, who need to be visible and valuable to the Federal Reserve and Treasury and added as fiduciaries, service providers and advisors, in the next relief package.</p> <p>Problem: Address historical problem of diversity and inclusion regarding financial recovery solutions. Solution: Demonstrate commitment to inclusion by including opportunities for skilled minority managers to add value and help salvage productivity and job creation. This need has been largely compounded by the fact that many of our business owners are not closely working with a bank, which is why the Paycheck Protection Program (PPP) had significant challenges and low minority participation rates. If the Main Street Lending Program is distributed only through banks, this will continue to largely occur. The program excludes other valuable financial entities, such as debt and equity asset managers, especially those that are diverse owned and have experience and knowledge in markets and with managing recession programs through proven track records based on previous recessions. If debt and equity asset managers are included in these facilities it will allow the Federal Reserve to have diversity and flexibility in the capital that will be deployed and that capital will have replication abilities through debt and equity expanding the overall amounts for loans being made and secured by borrowers.</p>

Main Street Lending Program
Nonprofit Organizations Comments

Event Title / Description	Ticket Type	Received Date	Last Name	First Name	Email Address	Affiliation	Comment
Other: Main Street Lending Program Eligibility Public Comment	PIO (Email from Web)	6/22/2020 12:00:00 AM	Reisman	Ingrid	ingrid@lvmonorail.com	Las Vegas Monorail Company	I strongly urge you to broaden the criteria for the expanded Main Street Lending Program to make 501c4 organizations become eligible for the NONLF. The Las Vegas Monorail Company is a 501c4 entity that provides critical transportation services in the Las Vegas tourism corridor. We carry approximately 5 million passengers annually on less than 4 miles and rely solely on fares from the system and other small contracts for all revenue. Our system was required to shut down on March 18, 2020 by Governor order when all nonessential businesses were ordered to close due to COVID 19. We have been forced to lay off over 90 percent of our workforce, and we cannot open until hotel occupancy creates enough demand to create a break-even scenario because we are a nonprofit without a lot of cash reserves. We would like to obtain a loan that will allow us to hire back some of our workforce and open the system, even if at an operating deficit for a short period of time, in order to aid in the recovery of the tourism sector. Without a loan or other funding source, we are unable to consider or accomplish this. We implore you to consider adding 501c4 organizations like the Las Vegas Monorail Company, even with other qualifying criteria.
Staff Group - Main Street Lending Program - Nonprofit Organization Facilities	PIO (Email from Web)	6/22/2020 12:00:00 AM	Torres	Jesse	Jesse.Torres@arroyowest.com	ArroyoWest LLC	<p>Thank you for the opportunity to provide feedback on this vital program for U.S. Nonprofits.</p> <p>We wish to provide the following feedback and recommendations that we believe will allow for the greatest opportunity for nonprofits to utilize the program:</p> <p>Eligible Loans</p> <ul style="list-style-type: none"> o In regard to principal amortization, we recommend a provision of flexibility in paying the loan and increasing or decreasing the amortization percent and timing in discussion with the Eligible Lender. o In regard to adjustable rate of LIBOR + 300 Basis points, we recommend that there be provided documentation language on alternate index or labor substitutes, and also reduction of rates in negotiation with the Eligible Lender as the future potential with an adjustable loan is a concern due to pending market volatility. o In regard to the condition that at the time of origination or at any time during the term of the Eligible Loan, it not be contractually subordinated in terms of priority to any of the Eligible Borrower's other loans or debt instruments; and Subordinated debt ranks after other debts if a company fall into liquidation or bankruptcy. We recommend that this provision be eliminated or a waiver provided for Eligible Borrowers. There is deep concern that this provision will sharply reduce borrower interest and needs significant clarification to avoid crossover issues with other popular debt instruments such as PPP. <p>Required Borrower Certifications and Covenants</p> <ul style="list-style-type: none"> o In regard to the condition that the Eligible Borrower must commit to refrain from repaying the principal balance of, or paying any interest on, any debt until the Eligible Loan is repaid in full, unless the debt or interest payment is mandatory and due. We recommend additional clarity on the wording "unless the debt or interest payment is Mandatory and Due" is requested. It is common to have other agreements that would default unless timely P&I payments are due. Nonprofits may be hesitant to enter into a Main Street Lending Program without clarity of this and understanding that they can move forward. o In regard to the condition that the Eligible Borrower must commit that it will not seek to cancel or reduce any of its committed lines of credit with the Eligible Lender or any other lender. We recommend that this be a covenant that is negotiable with the Eligible Borrower. <p>Loan Origination and Servicing Fees</p> <ul style="list-style-type: none"> o In regard to the condition that an Eligible Borrower will pay an Eligible Lender an origination fee of up to 100 basis points of the principal amount of the Eligible Loan at the time of origination. The SPV will pay an Eligible Lender 25 basis points of the principal amount of its participation in the Eligible Loan per annum for loan servicing. We recommend that the origination fee be noted as between .5% and 1% in discussion with the Eligible Lender and we recommend a waiver of the per annum loan servicing fee in consultation with the Eligible Lender.

Main Street Lending Program
Nonprofit Organizations Comments

Event Title / Description	Ticket Type	Received Date	Last Name	First Name	Email Address	Affiliation	Comment
Staff Group - Main Street Lending Program - Nonprofit Organization Facilities	PIO (Email from Web)	6/22/2020 12:00:00 AM	Hayward	Jane	jhayward@rihca.org	Rhode Island Health Center Association	<p>June 22, 2020</p> <p>United States Federal Reserve System 20th Street NW Washington, DC 20551</p> <p>RE: Comments in response to the Federal Reserve's intention to expand Main Street Loans to non-profit organizations</p> <p>Dear Sir/Madam: On behalf of the Rhode Island Health Center Association (RIHCA), and its members, we are submitting comments on the proposal to expand Main Street Loans to non-profit organizations. Federally Qualified Health Centers (FQHCs) are community-based, non-profit organizations whose goal is to provide affordable, accessible health care for all individuals, regardless of their ability to pay. As explained below, we appreciate the Federal Reserve's intention to expand Main Street Loans to non-profit organizations; however, after analyzing the draft Term Sheet, we have determined that almost no FQHCs would qualify for these loans under the current eligibility requirements. Therefore, we are requesting that: the loan terms be revised to enable the majority of FQHCs to qualify, and FQHCs be permitted to work with Community Development Financial Institutions (CDFIs) to access Main Street loans, as CDFIs understand the unique FQHC model and collectively have provided more than \$2.1 billion in loans to FQHCs, with a default rate of less than 1/10th of 1%.</p> <p>RIHCA represents Rhode Island's nine community health centers, including eight federally qualified health centers (FQHCs), one island-based health center, and associate community mental health center member, the Providence Center. Community health centers are non-profit health care providers with a long history of serving patients who may otherwise confront financial, geographic, linguistic, and cultural barriers to accessing health care services.</p> <p>Throughout the pandemic, FQHCs have provided a range of critical frontline care and a growing proportion of testing, particularly in the low-income, minority communities they serve. At the same time, FQHCs have experienced a significant decline in revenue due to the need to curtail many primary, dental, and preventive care visits. This combination has placed major financial strain on these non-profit, community-based providers, forcing them to close sites and lay off staff at the time when their services are most needed.</p> <p>As community-based, non-profit organizations committed to ensuring access to health care, Rhode Island's eight FQHCs have been on the frontlines of the COVID-19 pandemic since the beginning. With over 39 delivery sites, FQHCs provided care for nearly 179,000 patients in 2018 alone. Many of these patients have been disproportionately impacted by the pandemic, as 91% of them are low-income, Medicaid covers over 50%, and many patients suffer from multiple chronic health conditions associated with poverty and the effects of racism.</p> <p>While FQHCs have received some federal funding to support COVID relief, for many FQHCs, this funding is not enough to reestablish their pre-COVID level of operations, let alone prepare for the increased demand that will result as millions of newly-unemployed and uninsured individuals turn to them for care. To date, the Provider Relief Fund has offered most FQHCs only 2% of their net patient revenues; also, FQHCs with over 500 staff - which in total care for about 9 million patients - are ineligible for Paycheck Protection Loans because of their size.</p> <p>Recommendation to expand eligibility criteria to allow majority of FQHCs to qualify:</p> <p>Because of these financial needs, RIHCA was relieved to learn that the Federal Reserve would soon start offering Main Street Loans to non-profits. However, after reviewing the proposed Terms Sheet and consulting with experts, we have concluded that almost no FQHCs would qualify under the proposed eligibility criteria.</p> <p>This conclusion is based on an analysis conducted by Capital Link, a non-profit organization that receives funding from the Federal Department of Health and Human Services, to assist FQHCs with accessing capital. Capital Link determined that under the proposed lending parameters: Prior to the pandemic, only 13% of health centers would have met the combined criteria. This includes less than one in five of the FQHCs with over 500 staff, who are currently ineligible for the Paycheck Protection Program. Because of the significant cash declines experienced by FQHCs as a result of COVID-19, at present, far fewer than 13% would be able to meet the DCOH and Cash/Debt ratio at loan origination.</p> <p>The most problematic financial parameters for FQHCs are:</p>

Main Street Lending Program
Nonprofit Organizations Comments

Event Title / Description	Ticket Type	Received Date	Last Name	First Name	Email Address	Affiliation	Comment
							<p>EBIDA to unrestricted 2019 operating revenue greater than or equal to 5%</p> <p>Days cash on hand at loan origination equal to or greater than 90 days</p> <p>Ratio of unrestricted cash and investments to outstanding debt (including Main Street debt and CMS Accelerated and Advance Payments) at origination is 65% or greater</p> <p>In order to provide a meaningful program for which approximately 60% of FQHCs would qualify, we request that the Federal Reserve adjust the following lending parameters for FQHCs loans as follows:</p> <p>EBIDA to unrestricted 2019 operating revenue greater than or equal to 3%</p> <p>Days cash on hand at loan origination equal to or greater than 30 days</p> <p>Eliminate the unrestricted cash to debt ratio requirement</p> <p>Lower the minimum employee requirement to 20.</p> <p>In addition, we ask that the Federal Reserve clarify the eligibility requirement that reads: "has not received specific support pursuant to the Coronavirus Economic Stabilization Act of 2020 (Subtitle A of Title IV of the CARES Act)." As you know, Section 4003 of Title IV authorizes the Federal government to make loans to States and municipalities for COVID-19 relief. It is possible that a state or municipality could receive a loan under Section 4003, and use part of it to support FQHCs or other safety net providers. To make clear that FQHCs or other providers who receive this type of support from their state are still eligible for Main Street Loans, we recommend that the term "specific support" be revised to read "direct support."</p> <p>Request for FQHCs to work directly with CDFIs to access Main Street Loans</p> <p>Finally, it is important to note that Community Development Financial Institutions (CDFIs) have historically played a major role in providing financing to FQHCs for decades. As such, they understand the FQHC model and are best positioned to underwrite loans to health centers. A coalition of 25 CDFIs who are members of the Lenders Coalition for Community Health Centers has collectively provided more than \$2.1 billion in loans to FQHCs, with a default rate of less than 1/10th of 1%.</p> <p>Unfortunately, very few CDFIs would qualify as eligible lenders under the program as it is currently construed. To enable FQHCs to work directly with lenders who best understand their model and needs, we recommend that the Federal Reserve structure the non-profit portion of the Main Street Loan Program to:</p> <p>Allow CDFIs to participate as lenders in the program; and</p> <p>Allow CDFIs to borrow from the Federal Reserve under the same terms as banks, which would enable CDFIs to offer interest rates to FQHCs at LIBOR +3%</p> <p>We are providing these comments on short notice to accommodate the Federal Reserve's request. We would be happy to provide more detailed comments and/or provide additional information to assist the Federal Reserve in developing a program that will be responsive to the current needs of Federally Qualified Health Centers.</p>

Main Street Lending Program
Nonprofit Organizations Comments

Event Title / Description	Ticket Type	Received Date	Last Name	First Name	Email Address	Affiliation	Comment
Staff Group - Main Street Lending Program - Nonprofit Organization Facilities	PIO (Email from Web)	6/22/2020 12:00:00 AM	Gingerich	Anne	anne@pano.org	PA Association of Nonprofit Organizations	<p>Comments to the Federal Reserve regarding the proposed Main Street Lending Program for nonprofit organizations - NONLF and NOELF</p> <p>The PA Association of Nonprofit Organizations provides the following recommendations to improve the proposed Nonprofit Organization Loan Programs:</p> <ol style="list-style-type: none"> 1. Loan Forgiveness: The Federal Reserve, either on its own or working with Congress, must recognize the extent to which the public and economy rely on the vital services nonprofits provide to communities and the economy by creating a forgivable loan program. 2. 50-Employee Floor: The Nonprofit Organization Loan programs must be revised to remove the 50-employee floor. 3. 30% Donations Cap: It is essential that the Federal Reserve eliminate the requirement that no more than 30 percent of an organization's 2019 revenues come from donations. 4. Loan Terms: Recognizing the unique nature of nonprofit operations and their importance in continuing to provide vital services as partners on the frontlines of the COVID-19 crisis, we urge the Federal Reserve to eliminate the liquidity and debt ratio provisions in the loan requirements. We also recommend lower interest rates in line with other nonprofit loan programs and a seven-year amortization. 5. Revising EBITA Ratio: The 5 percent requirement should be reduced to zero, if not eliminated. Further, nonprofit borrowers should be allowed to provide a statement of explanation of a deficit so that a negative ratio does not mean automatic ineligibility. Finally, clarification is needed on the calculation methodology - in the context of nonprofit operating budgets - regarding both restricted funding from grants in annual operating budgets and capital funds for improvements. 6. Clarifying Employee Retention Requirements: The term "mission-based" should be inserted before "reasonable efforts" to tailor employee retention requirements to the realities of nonprofit operations. The Employee retention requirements should also apply based on employment levels on the date of loan origination. The reasonable safe harbor provisions of the Paycheck Protection Program Flexibility Act should be extended to this loan program. 7. Additional Questions Recommendations: <ul style="list-style-type: none"> o Endowment: What resources should be included in endowment calculations? Does it include restricted endowments? Does it extend to include cash on hand? o Collateral: Flexibility on collateral is requested. The loan should be available with no more than 50 percent Loan to Value (LTV) if collateral is needed. o Other Debts: The proposal to restrict paying off existing loans should exclude lines of credit and other debt that are assumed to provide financial liquidity related to the impact of COVID-19. <p>The details of these recommendations are discussed in the set of comments submitted by the National Council of Nonprofits, which the PA Association of Nonprofit Organizations endorses and incorporates here by reference.</p>

Main Street Lending Program
Nonprofit Organizations Comments

Event Title / Description	Ticket Type	Received Date	Last Name	First Name	Email Address	Affiliation	Comment
Staff Group - Main Street Lending Program - Nonprofit Organization Facilities	PIO (Email from Web)	6/22/2020 12:00:00 AM	Davis	Charlie	cdavis@ymcapkc.org	YMCA of Pierce and Kitsap Counties	<p>To Whom It May Concern:</p> <p>The YMCA of the USA (Y-USA) is respectfully submitting these comments in response to Federal Reserve Board's announcement on June 15, 2020 that it is seeking public feedback on the proposal to expand its Main Street Lending Program for nonprofit organizations. We appreciate the Federal Reserve Board making this program available to nonprofits; however, there are several concerns outlined below that could help improve the program and make it truly applicable and accessible to nonprofit organizations, such as local YMCAs.</p> <p>YMCA of the USA is the national resource office for the nation's 2,700 local 501(c)3, charitable, nonprofit YMCAs. Each of these YMCAs helps strengthen their local communities through youth development, healthy living, and social responsibility. Annually, YMCAs engage 22 million men, women, and children-regardless of age, income, or background-to nurture the potential of children and teens, improve the nation's health and well-being, and provide opportunities to give back and support neighbors. The Y works side-by-side with its neighbors to make sure everyone has the opportunity to learn, grow, and thrive.</p> <p>Despite mandated facility closures, cancellation of traditional programming and a decrease in giving, the Y has stepped up to address the critical need for safe childcare options and other needed services across the country. At the height of the pandemic the Y offered emergency childcare at more than 1,100 locations for families of medical personnel, essential employees and first responders. With school closures, children cannot access USDA breakfasts and lunch and during this time of economic uncertainty, a rapidly increasing number of adults and families are facing food insecurity. In response, over 1,000 Ys nationwide are providing free grab-and-go meals to help address this urgent need.</p> <p>Citizens in communities of all sizes are depending on local charitable nonprofits to a far greater degree during the response and relief phases to the COVID-19 health and economic crises, and that reliance will only grow during the recovery period ahead (including response and relief for any second and third waves of the virus).</p> <p>Y-USA has worked with YMCA State Alliances and local Ys to identify and address areas of confusion and contradiction in regard to the much-anticipated Mainstreet Lending Program. These real-life, current concerns and questions based on experiences of Ys across America are the basis for the following comments and recommendations.</p> <p>Comments and Recommendations</p> <p>1. Congress Must Act to Ensure Mid-Sized Nonprofits are Eligible for Loan Forgiveness</p> <p>Congress must ensure that mid-sized nonprofits have access to loan forgiveness. While it is a welcome development to see the Federal Reserve making its Main Street lending program available to some nonprofits, this assistance still falls short of what is most needed by nonprofit organizations - a provision that makes these loans forgivable.</p> <p>In this critical time, nonprofits have stepped up to meet the unprecedented level of need in our country due to the COVID-19 pandemic. Even though they face many of the same economic challenges as other industries, nonprofits are not shutting down. Rather, they are straining to meet increasing demands in our communities on the frontlines, caring for the sick, feeding families, and keeping our communities connected. Furthermore, they will play an integral role as our nation recovers - providing childcare, job training, and other core supports.</p> <p>Charitable nonprofits of all sizes and focus areas are struggling to maintain mission-critical operations despite enormous economic challenges. Data released by Independent Sector shows that nonprofits with between 500 to 5,000 employees, key to scaling relief efforts across the nation, have been severely impacted by this health and economic crisis. When asked "What types of additional assistance would be most helpful to your organization?" organizations overwhelmingly (92% of responses) suggested government support in the form of forgivable loans. Smaller nonprofits throughout the country have been hit equally hard.</p> <p>Nonprofit organizations need funding so they can continue to meet the needs of their communities. Many charitable organizations do not have steady streams of commercial income and have little capacity for loan and interest repayment. Furthermore, nonprofits are the third largest employment sector and many hope to hire more workers as their organizations recover. America cannot afford to leave out such a vital part of the economy.</p> <p>Recommendation: Congress must recognize the vital services nonprofits provide to communities and the economy by including loan</p>

Main Street Lending Program
Nonprofit Organizations Comments

Event Title / Description	Ticket Type	Received Date	Last Name	First Name	Email Address	Affiliation	Comment
							<p>forgiveness, in the next round of COVID-19 relief legislation.</p> <p>2. The Federal Reserve Needs to Make Loan Terms More Favorable to Charitable Organizations</p> <p>The draft Nonprofit Loan Facility imposes certain liquidity, asset, and reserve requirements that are not required in Main Street New Loan Facilities available to for-profit businesses.</p> <p>Nonprofit organizations typically provide services with low-profit margins. Indeed, social service organizations report an average aggregate margin of 1.5%. According to a recent report by Seachange Capital Partners, the median social services nonprofit has a margin of 1.0%, receives 3.6% of its revenue from philanthropy (including investment income), has total financial assets (including endowments and other assets that are subject to legal restrictions) equal to 1.9 months of expenses, and operating reserves of less than one month of expenses. Less than 20% of large nonprofits have 6 months or more of operating reserves, a widely accepted standard for "financial strength" for nonprofits. Social services organizations are the most fragile, with fewer than 10% reaching this standard. The statistics above should not be viewed as an indictment of the efficiencies or management policies of nonprofits.</p> <p>Also, many nonprofits are facility-based and carry planned debt which may be disqualified under the proposed calculation. Furthermore, creditworthiness can be established on other criteria.</p> <p>Recommendation: Recognizing the unique nature of nonprofit operations and their importance in continuing to provide vital services as partners on the front lines of the COVID-19 crisis, we urge the Federal Reserve to eliminate borrower requirements 7 and 8. If this is not possible, we alternatively ask that the requirements be lessened significantly to reflect the economic realities of nonprofit operations, for example by requiring only 30 days cash on hand, and eliminating the specific 65% debt ratio requirement and instead allow a statement of explanation for debt that may be of concern as it relates to credit worthiness.</p> <p>We are also concerned that certain eligible loan features are too onerous for nonprofit organizations and are less favorable than those offered in other government programs. Specifically, the interest rate of LIBOR plus 300 basis points is too high. In addition, the imposition of loan origination and service fees adds to the cost. Finally, the 70% balloon payment at the end of the fifth year of the loan would be difficult for many nonprofits, unless provided an opportunity to refinance such loans at low rates.</p> <p>Recommendation: Revisit the loan terms including interest rate and balloon payments and recommend the lowest permissible rate such as the 0.5% rate initially proposed for PPP loans. We also urge some flexibility in the balloon payment requirement to afford the opportunity for renegotiation. Extending the 5-year amortization to seven years could lessen the balloon payment. We request that borrowers have access to engage with derivatives (change to a fixed rate) without the minimum swap requirements.</p> <p>3. The Ratio of Adjusted 2019 Earnings before "EBIDA" Should Be Revised</p> <p>In the "Draft for Public Consultation," one of the eligibility criteria for borrowers is that they must have "a ratio of adjusted 2019 earnings before interest, depreciation, and amortization (EBIDA) to unrestricted 2019 operating revenue, greater than or equal to 5%." (#6) In the context of nonprofit operations, this threshold is too high and would make many, if not most, nonprofits ineligible based on these criteria alone, which seems written more in the context of for-profit businesses as opposed to nonprofit organizations.</p> <p>It may be prudent and necessary to have a positive ratio of adjusted earnings; however, nonprofits generally run on a small margin, both out of necessity and also so as to not leave excess surpluses that could be used for fulfilling their missions. Moreover, at times a nonprofit may have a planned and manageable deficit as part of a strategic plan-a negative ratio at one isolated point is not always an indication of instability.</p> <p>Furthermore, the footnotes for #6 clarify that "The Eligible Lender should calculate operating revenue as unrestricted operating revenue, excluding funds committed to be spent on capital." Many nonprofits have "restricted revenue" through grants and contracts built into their operating budgets. Excluding this revenue would compound the problem of meeting the 5% ratio. Although it would be sensible to exclude contributions raised for a "capital campaign," excluding other capital funds included in an annual budget for maintenance and planned upgrades would further decrease the required ratio.</p> <p>Recommendation: The 5% requirement should be reduced to zero, if not eliminated. In addition, a statement of explanation of a deficit should be allowed so that a negative ratio does not mean automatic ineligibility for a nonprofit borrower. Finally, further clarification on the calculation</p>

Main Street Lending Program
Nonprofit Organizations Comments

Event Title / Description	Ticket Type	Received Date	Last Name	First Name	Email Address	Affiliation	Comment
							<p>methodology-in the context of nonprofit operating budgets-is needed in regard to both restricted funding from grants in annual operating budgets, as well as capital funds for improvements that are part of an annual operating budget. This clarification would allow noted revenues to remain in calculation to ease the restriction and not further restrict eligibility.</p> <p>4. "Reasonable Efforts" Regarding Employee Retention Require Further Clarification</p> <p>The description of "Retaining Employees" in the draft term sheet requires refinement if the Federal Reserve expects nonprofits to take advantage of this facility. We endorse the analysis of the National Council of Nonprofits on the issue of employee retention, and recommend the following:</p> <p>Recommendation: "Reasonable efforts" should be interpreted in the totality of the circumstances, taking into consideration not only the general economic environment in the community or communities in which the borrower operates, but also factors such as workforce, fundraising ability, revenue-generating activities, and overall demand for the services and programs the organization provides. One option would be to add the qualifier "mission-based" before "reasonable efforts";</p> <p>Recommendation: Further refine the terms "maintain its payroll" and "retain its employees" are vague, and make clear that nonprofits participating in the Main Street loan program generally should endeavor to pay staff at the same or increased income levels and should act in good faith to keep staffing levels (measured on the basis of full-time equivalents) at the same or increased levels, both for the duration of the loan. It is also important that the loan documents expressly state that the employee retention provision begins on the date that loan funding is received by the borrower rather than at an earlier date.</p> <p>Recommendation: Adopt the safe harbors of other loan programs and state clearly that nonprofit borrowers will not be penalized under the employee retention provision for the decision of employees to decline offers of rehire, or for those who are fired for cause, voluntarily resign, or voluntarily request a reduced schedule during the time that the loan is outstanding.</p> <p>5. Limitation of 50-Employee Minimum Should Be Removed</p> <p>The proposed nonprofit loan facility imposes a size minimum that is not imposed in the Main Street Loan Facilities for for-profit businesses. There is no explanation why the Federal Reserve is proposing that nonprofits with fewer than 50 employees should not be eligible for Main Street loans for which their small business counterparts of equal size could secure lending support.</p> <p>Recommendation: Remove the 50-employee floor.</p> <p>6. The Fed's Proposal to Limit Loans to Mid-Size Nonprofits with Less than 30% of Revenue from Donations Disqualifies Many in Charitable Sector</p> <p>The Federal Reserve's criteria that organizations must have revenues from donations that are less than 30% disqualify many charities. Overall, this loan facility seems more geared to educational institutions and nonprofit hospitals, but not most charitable organizations.</p> <p>Recommendation: Eliminate the requirement that no more than 30 percent of an organization's 2019 revenues come from donations.</p> <p>Conclusion Y-USA appreciates the opportunity to submit these comments to the Federal Reserve about the Mainstreet Lending Program for Nonprofits, which, in its proposed form, seems aimed more at nonprofits such as hospitals and institutions of higher education than at nonprofits like local YMCAs. Given that, Y-USA respectfully requests the Federal Reserve to address the concerns and proposed changes outlined above.</p> <p>Thank you for considering these comments and recommendations. We stand ready to work with you to strengthen the Mainstreet Lending Program and give YMCAs the resources to help communities across America get through this crisis and promote a vibrant and equitable economic recovery.</p> <p>Sincerely, Charlie Davis</p>

Main Street Lending Program
Nonprofit Organizations Comments

Event Title / Description	Ticket Type	Received Date	Last Name	First Name	Email Address	Affiliation	Comment
							<p>President and CEO YMCA of Pierce and Kitsap Counties</p>
Staff Group - Main Street Lending Program - Nonprofit Organization Facilities	PIO (Email from Web)	6/22/2020 12:00:00 AM	Partridge	Lowell	Personal Email Address	Road Scholar	<p>The 5% EBIDA requirement, if it is not modified, will disqualify our nonprofit organization from the Fed's Nonprofit New Loan Facility. The requirement of earnings before interest, depreciation, and amortization ("EBIDA") of at least 5% of operating revenue is not realistic. Our EBIDA is 2%, or \$6.8 million, which is more than sufficient to service a \$20 million, 5-year term loan. The Fed's formula would require EBIDA of \$17 million. If we were generating surpluses of \$17 million a year instead of spending it on our constituents, we would not be fulfilling our mission. EBIDA standards for profit-motivated business and nonprofits are not the same.</p> <p>This can be rectified by any one of the following:</p> <ol style="list-style-type: none"> 1. Require nonprofits to meet one of the financial requirements (EBIDA, Days of Liquid Assets, and Unrestricted Cash and Investments to Debt), not all three. 2. Set EBIDA at a level-1.5% or 2% of operating revenue-that acknowledges the critical difference in surplus objectives between for-profit entities and mission-driven nonprofits. 3. Exclude pass-through revenue (funds disbursed directly to third parties in support of the organization's constituents) from "unrestricted operating revenue." <p>In addition to the eligibility issue above, the loan cost is too high. An origination fee of 1% and interest at Libor plus 300 basis points will divert funds that should be spent on retaining staff and serving constituents. An origination fee of 25 basis points, and an interest rate of Libor plus 200 basis points, would allow nonprofits to continue to provide critical services, contribute meaningfully to the country's economic recovery, and generate an acceptable financial return for the overall program.</p>
Staff Group - Main Street Lending	PIO (Email from Web)	6/22/2020 12:00:00 AM	Shepherd	Madeline	mshepherd@girlscouts.org	Girl Scouts of the USA	A comment has been submitted by email on behalf of Sue Santa, Vice President of Public Policy and Advocacy at Girl Scouts of the USA.

Main Street Lending Program
Nonprofit Organizations Comments

Event Title / Description	Ticket Type	Received Date	Last Name	First Name	Email Address	Affiliation	Comment
Program - Nonprofit Organization Facilities							
Staff Group - Main Street Lending Program - Nonprofit Organization Facilities	PIO (Email from Web)	6/22/2020 12:00:00 AM	Palumbo	Taryn	Taryn.Palumbo@ocgrantmakers.org	Orange County Grantmakers	<p>Orange County Grantmakers is pleased to provide comments on and support the Federal Reserve Board's proposal to expand its Main Street Lending Program to provide access to credit to nonprofit organizations. This proposed expansion to small and medium sized nonprofits is a valuable tool to help Orange County nonprofits as they continue to serve their communities during these challenging times. While this is a positive move to support nonprofits so critical to our economy, we also encourage the Federal Reserve to consider expanding the loan qualifications to include even the smallest nonprofits in our community or develop nonprofit microloans to support those organizations that might not qualify for the program.</p> <p>Orange County Grantmakers is an association of foundations, corporate giving programs, and community organizations actively involved in philanthropy in Orange County, CA. Our mission is to advance social impact by supporting, strengthening, and building adaptive leadership across our nonprofit and philanthropic community. Our vision is a community of philanthropists committed to improving outcomes for Orange County and beyond.</p> <p>Orange County Grantmakers is almost 20 years old and serves the important role of convening and connecting nonprofits and funders around issues and ideas most impactful to our community. As funders, we see every day the vital and important role nonprofits serve in our community as well as the unique challenges faced by a not-for-profit providing critical services to Orange County.</p> <p>We appreciate Chairman Powell's acknowledgement that "Nonprofit organizations are critical parts of our economy, employing millions of people, providing essential services to communities, and supporting innovation and the development of a highly skilled workforce." Yet, far too often, nonprofits are not recognized as the vital small businesses they are when it comes to financial support. A recent survey, conducted by Charitable Ventures, the administrator for the Orange County Community Resilience Fund that provided \$4.2 of philanthropic emergency dollars to our nonprofit community in the immediate COVID-19 shutdown, found that 79% of organizations surveyed experienced significant revenue shortfalls while experiencing a significant increase in costs and an increase in requests for services. Many of these nonprofits have also had to pivot to continue to provide operations and are unclear when normal operations may resume.</p> <p>Orange County Grantmakers supports the differentiation of two options for the loan, taking into account the differences between for profit and nonprofit organizations. We strongly encourage the Federal Resource Board to revise the eligibility criteria related to the employee number however, so that nonprofits with fewer than 50 employees are eligible to apply for the loans and lower the maximum number to much fewer than 15,000 employees in order to truly open up the loans to small and medium sized nonprofits.</p> <p>Orange County philanthropy raised more than \$6 million and counting in emergency and community response dollars during the COVID-19 pandemic. These dollars have been critical to nonprofits serving on our front-lines to provide food access and distribution, emergency housing, and improving and expanding our community's health infrastructure. These dollars however are not enough to fill the gap of what is needed. We appreciate the federal efforts to date that are helping to keep nonprofits in operation and return to full capacity and encourage the Federal Reserve Board to do its part. Thank you for considering our input and please do not hesitate to contact us with any questions.</p> <p>Submitted by: Taryn Palumbo Executive Director</p>
Staff Group - Main Street Lending Program - Nonprofit Organization Facilities	PIO (Email from Web)	6/22/2020 12:00:00 AM	Van Haften	Jennifer	Personal Email Address	Wisconsin Federation of Museums	<p>Small and medium sized non-profits often are employers in small towns and contribute to the quality of life and economy of small towns. The program should allow for organizations that employ less than 50 people, and should assist in helping to sustain them when their local donors and paid participants can no longer afford to continue to give money to these types of orgs for the time being. Smaller loans, like the \$10,000 that was given to small businesses through the Small Business loan program would assist non-profits in the same way, helping them to continue to pay qualified and local staff who will also contribute to the local economy with their sales.</p>

Main Street Lending Program
Nonprofit Organizations Comments

Event Title / Description	Ticket Type	Received Date	Last Name	First Name	Email Address	Affiliation	Comment
Staff Group - Main Street Lending Program - Nonprofit Organization Facilities	PIO (Email from Web)	6/22/2020 12:00:00 AM	Maheras	Georgia	gmaheras@bistatepca.org	Bi-State Primary Care Assn	<p>To Whom It May Concern:</p> <p>Thank you for the opportunity to provide comment on the Proposed Parameters for Main Street Loans for Non-Profits. I write on behalf of Bi-State Primary Care Association and our members. We appreciate the Federal Reserve's efforts to expand Main Street Loans to non-profit organizations like our members. However, according to the Term Sheet, it appears that none of our FQHC members would qualify for these loans. As discussed below, we request that the loan terms be revised to enable the majority of FQHCs to qualify, and that they be permitted to work with Community Development Financial Institutions (CDFIs) to access Main Street loans.</p> <p>Bi-State Primary Care Association (Bi-State) is a nonpartisan, nonprofit 501(c)(3) charitable organization that promotes access to effective and affordable primary care and preventive services for all, with special emphasis on underserved populations in Vermont and New Hampshire. Bi-State's combined Vermont and New Hampshire membership includes 29 Community Health Centers (CHCs) delivering primary care at 126 sites and serving over 315,000 patients. The majority of these CHCs are Federally Qualified Health Centers (FQHCs). Part of our providers' mission is to serve everyone, regardless of ability to pay, and to deliver comprehensive medical services. We provide preventive and primary care that helps achieve the best possible health outcomes and contains overall costs within the system. Access to substance misuse treatment for substances, including opioids, is critical for this work.</p> <p>Bi-State's response to the COVID-19 pandemic:</p> <p>Bi-State is engaged in robust pandemic response providing support to our members, and education to governmental entities at the federal level, in New Hampshire, and in Vermont. Our health centers are on the front lines caring for their patients and providing evaluation and testing for the uninsured and general population. They are caring for patients using telehealth, while operating testing sites, respiratory clinics, and providing time sensitive primary care services. These non-profits are caring for the homeless and translating pandemic information into multiple languages.</p> <p>Our members are increasingly relied upon by their communities to care for more uninsured and serve as a critical part of the public health infrastructure. At the same time, they have experienced a significant decline in revenue, due to the need to curtail many primary and preventive visits. Further, they do not have a full staff complement due to quarantine, school at home, and health concerns impacting the workforce. This combination has caused significant financial strain on these non-profit, community-based providers.</p> <p>While many of our members, including FQHCs, have received some federal funding to support COVID-19 response. For many this is not enough to return to pre-COVID-19 operations, nor is it sufficient to prepare for the increased demand as more newly-unemployed, uninsured, and underinsured individuals turn to them for care. Additionally, it is unclear how long the pandemic will last, which provides significant financial uncertainty.</p> <p>Recommendation 1: Expand eligibility criteria to allow majority of FQHCs to qualify:</p> <p>Given these financial needs, Bi-State is hopeful that the Main Street Loans for Non-Profits program can be used by our members, including FQHCs. After reviewing the proposed Terms Sheet and consulting with experts, we have concluded that almost no FQHCs would qualify under the proposed eligibility criteria.</p> <p>Recent analysis conducted by Capital Link, a non-profit organization that receives funding from the Federal Department of Health and Human Services to assist FQHCs with accessing capital, determined that the proposed lending parameters limit FQHC eligibility:</p> <p>Prior to the pandemic, only 13% of health centers would have met the combined criteria. This includes less than one in five of the FQHCs with over 500 staff, who are currently ineligible for the Paycheck Protection Program. We have two such health centers in Vermont.</p> <p>Because of the significant cash declines experienced by FQHCs as a result of COVID-19, at present, far fewer than 13% would be able to meet the days cash on hand and Cash/Debt ratio at loan origination.</p> <p>The most problematic financial parameters for FQHCs are:</p> <p>EBIDA to unrestricted 2019 operating revenue greater than or equal to 5%.</p> <p>Days cash on hand at loan origination equal to or greater than 90 days.</p> <p>Ratio of unrestricted cash and investments to outstanding debt (including Main Street debt and CMS Accelerated and Advance Payments) at origination is 65% or greater.</p>

Main Street Lending Program
Nonprofit Organizations Comments

Event Title / Description	Ticket Type	Received Date	Last Name	First Name	Email Address	Affiliation	Comment
							<p>With the following simple modifications, the program could be viable for approximately 60% of FQHCs. We request that the Federal Reserve adjust the following lending parameters for FQHC loans as follows: EBIDA to unrestricted 2019 operating revenue greater than or equal to 3%. Days cash on hand at loan origination equal to or greater than 30 days. Eliminate the unrestricted cash to debt ratio requirement. Lower the minimum employee requirement to 20.</p> <p>We also ask that the Federal Reserve clarify the eligibility requirement that reads: "has not received specific support pursuant to the Coronavirus Economic Stabilization Act of 2020 (Subtitle A of Title IV of the CARES Act)." As you know, Section 4003 of Title IV authorizes the Federal government to make loans to States and municipalities for COVID-19 relief. It is possible that a state or municipality could receive a loan under Section 4003, and use part of it to support FQHCs or other safety net providers. To make clear that FQHCs or other providers who receive this type of support from their state are still eligible for Main Street Loans, we recommend that the term "specific support" be revised to read "direct support."</p> <p>Request to work directly with CDFIs to access Main Street Loans:</p> <p>Community Development Financial Institutions (CDFIs) have historically played a major role in providing financing to non-profits and especially FQHCs. As such, they understand the FQHC model and are best positioned to underwrite loans to health centers. A coalition of 25 CDFIs who are members of the Lenders Coalition for Community Health Centers have collectively provided more than \$2.1 billion in loans to FQHCs, with a default rate of less than 1/10th of 1%.</p> <p>Our review indicates that very few CDFIs would qualify as eligible lenders under the program as it is currently construed. We recommend that the Federal Reserve structure the non-profit portion of the Main Street Loans Program to: Allow CDFIs to participate as lenders in the program; and Allow CDFIs to borrow from the Federal Reserve under the same terms as banks, which would enable CDFIs to offer interest rates to FQHCs at LIBOR +3%</p> <p>Several of our FQHCs have worked closely with CDFIs and other commercial lenders to support services and physical plant to meet the needs of their communities. These lenders understand the unique structure of FQHCs and their strong mission as community-based providers of primary health care services.</p> <p>We welcome the opportunity to provide additional information to assist the Federal Reserve in developing a program that will be responsive to the current needs of Federally Qualified Health Centers. If you have any questions, please contact Georgia Maheras at gmaheras@bistatepca.org or 802-229-0002, ext. 218. Thank you for your consideration.</p> <p>Sincerely,</p> <p>Tess Stack Kuenning, CNS, MS, RN President and Chief Executive Officer Bi-State Primary Care Association</p>
Staff Group - Main Street Lending Program - Nonprofit Organization Facilities	PIO (Email from Web)	6/22/2020 12:00:00 AM	Rebanal	Olivia	orebanal@capitalimpact.org	Capital Impact Partners	<p>Limit access to this program to smaller nonprofit organizations that are disproportionately less able to access credit</p> <p>Expansion to include larger organizations is to dilute the intent. Focus should remain on serving smaller organizations</p>

Main Street Lending Program
Nonprofit Organizations Comments

Event Title / Description	Ticket Type	Received Date	Last Name	First Name	Email Address	Affiliation	Comment
Staff Group - Main Street Lending Program - Nonprofit Organization Facilities	PIO (Email from Web)	6/22/2020 12:00:00 AM	Riley	Brendan	rileyb@ncchca.org	North Carolina Community Health Center Association	<p>We are writing on behalf of the North Carolina Community Health Center Association (NCCHCA), the membership association for 42 federally qualified health center (FQHC) and look-alike organizations. FQHCs are a community-based, non-profit organizations whose goal is to provide affordable, accessible health care for all individuals, regardless of their ability to pay. As explained below, we appreciate the Federal Reserve's intention to expand Main Street Loans to non-profit organizations; however, after analyzing the draft Term Sheet, we have determined that almost no FQHCs would qualify for these loans under the current eligibility requirements. Therefore, we are requesting that:</p> <ul style="list-style-type: none"> the loan terms be revised to enable the majority of FQHCs to qualify, and FQHCs be permitted to work with Community Development Financial Institutions (CDFIs) to access Main Street loans, as CDFIs understand the unique FQHC model and collectively have provided more than \$2.1 billion in loans to FQHCs, with a default rate of less than 1/10th of 1%. <p>As community-based, non-profit organizations committed to ensuring access to health care, FQHCs have been on the frontlines of the COVID-19 pandemic since the beginning. With more than 270 care delivery sites in the state, North Carolina's FQHCs provide care for over 600,000 patients. Our patients have been disproportionately impacted by the pandemic, as roughly 90% of them live in low-income households, roughly 40% are uninsured, and a majority are racial and ethnic minorities, many of whom suffer from multiple chronic health conditions associated with poverty and the effects of racism.</p> <p>Throughout the pandemic, FQHCs have provided a range of critical front-line care and a growing proportion of testing, particularly in the low-income, minority communities they serve. At the same time, FQHCs have experienced a significant decline in revenue, due to the need to curtail many primary and preventive care visits. This combination has placed major financial strain on these non-profit, community-based providers, forcing them to close sites and lay off staff at the time when their services are most needed. The impact has been even more severe on our FQHCs that operate much-needed dental service programs, which have been more severely disrupted in part due to the nature of the procedures, as well as those that provide school-based health services. However, even those health centers who do not operate such programs still report patient volume and revenue figures far below their pre-COVID levels, causing financial strain and draining cash on hand for many.</p> <p>While FQHCs have received some federal funding to support COVID relief, for many FQHCs this funding is not enough to reestablish their pre-COVID level of operations, let alone prepare for the increased demand that will result as millions of newly-unemployed and uninsured individuals turn to them for care. To date, the Provider Relief Fund has offered most FQHCs only 2% of their net patient revenues; also, FQHCs with over 500 staff - which in total care for about 9 million patients nationwide - are ineligible for Paycheck Protection Program Loans because of their size.</p> <p>Recommendation to expand eligibility criteria to allow majority of FQHCs to qualify:</p> <p>Because of these financial needs, NCCHCA was relieved to learn that the Federal Reserve would soon start offering Main Street Loans to non-profits. However, after reviewing the proposed Terms Sheet and consulting with experts, we have concluded that almost no FQHCs would qualify under the proposed eligibility criteria.</p> <p>This conclusion is based on an analysis conducted by Capital Link, a non-profit organization that receives funding from the Federal Department of Health and Human Services to assist FQHCs with accessing capital. Capital Link determined that under the proposed lending parameters:</p> <ul style="list-style-type: none"> Prior to the pandemic, only 13% of health centers would have met the combined criteria. This includes less than one in five of the FQHCs with over 500 staff, who are currently ineligible for the Paycheck Protection Program. Because of the significant cash declines experienced by FQHCs as a result of COVID-19, at present, far fewer than 13% would be able to meet the DCOH and Cash/Debt ratio at loan origination. <p>The most problematic financial parameters for FQHCs are:</p> <ul style="list-style-type: none"> EBIDA to unrestricted 2019 operating revenue greater than or equal to 5% Days cash on hand at loan origination equal to or greater than 90 days Ratio of unrestricted cash and investments to outstanding debt (including Main Street debt and CMS Accelerated and Advance Payments) at origination is 65% or greater <p>In order to provide a meaningful program for which approximately 60% of FQHCs would qualify, we request that the Federal Reserve adjust the following lending parameters for FQHCs loans as follows:</p> <ul style="list-style-type: none"> EBIDA to unrestricted 2019 operating revenue greater than or equal to 3% Days cash on hand at loan origination equal to or greater than 30 days

Main Street Lending Program
Nonprofit Organizations Comments

Event Title / Description	Ticket Type	Received Date	Last Name	First Name	Email Address	Affiliation	Comment
							<p>Eliminate the unrestricted cash to debt ratio requirement Lower the minimum employee requirement to 20.</p> <p>In addition, we ask that the Federal Reserve clarify the eligibility requirement that reads: "has not received specific support pursuant to the Coronavirus Economic Stabilization Act of 2020 (Subtitle A of Title IV of the CARES Act)." As you know, Section 4003 of Title IV authorizes the Federal government to make loans to States and municipalities for COVID-19 relief. It is possible that a state or municipality could receive a loan under Section 4003, and use part of it to support FQHCs or other safety net providers. To make clear that FQHCs or other providers who receive this type of support from their state are still eligible for Main Street Loans, we recommend that the term "specific support" be revised to read "direct support."</p> <p>Request for FQHCs to work directly with CDFIs to access Main Street Loans</p> <p>Finally, it is important to note that Community Development Financial Institutions (CDFIs) have historically played a major role in providing financing to FQHCs for decades. As such, they understand the FQHC model and are best positioned to underwrite loans to health centers. A coalition of 25 CDFIs who are members of the Lenders Coalition for Community Health Centers have collectively provided more than \$2.1 billion in loans to FQHCs, with a default rate of less than 1/10th of 1%.</p> <p>Unfortunately, very few CDFIs would qualify as eligible lenders under the program as it is currently construed. To enable FQHCs to work directly with lenders who best understand their model and needs, we recommend that the Federal Reserve structure the nonprofit portion of the Main Street Loan Program to:</p> <ul style="list-style-type: none"> Allow CDFIs to participate as lenders in the program; and Allow CDFIs to borrow from the Federal Reserve under the same terms as banks, which would enable CDFIs to offer interest rates to FQHCs at LIBOR +3% <p>We are providing these comments on short notice to accommodate the Federal Reserve's request. We would be happy to provide more detailed comments and/or provide additional information to assist the Federal Reserve in developing a program that will be responsive to the current needs of Federally Qualified Health Centers.</p>

Main Street Lending Program
Nonprofit Organizations Comments

Event Title / Description	Ticket Type	Received Date	Last Name	First Name	Email Address	Affiliation	Comment
Staff Group - Main Street Lending Program - Nonprofit Organization Facilities	PIO (Email from Web)	6/22/2020 12:00:00 AM	Shinn	Rick	rshinn@vacom munityhealth.org	Virginia Community Healthcare Association	<p>We are writing on behalf of the Virginia Community Healthcare Association, and over 150 Federally Qualified Health Center sites (FQHCs), more commonly known as community health center sites, operating across the Commonwealth of Virginia.</p> <p>FQHCs are community-based, non-profit organizations whose goal is to provide affordable, accessible health care for all individuals, regardless of their ability to pay.</p> <p>As explained below, we appreciate the Federal Reserve's intention to expand Main Street Loans to non-profit organizations; however, after analyzing the draft Term Sheet, we have determined that almost no FQHCs would qualify for these loans under the current eligibility requirements.</p> <p>Therefore, we are requesting that: the loan terms be revised to enable the majority of FQHCs to qualify, and FQHCs be permitted to work with Community Development Financial Institutions (CDFIs) to access Main Street loans, as CDFIs understand the unique FQHC model and collectively have provided more than \$2.1 billion in loans to FQHCs, with a default rate of less than 1/10th of 1%.</p> <p>Background on Virginia Community Healthcare Association and the COVID-19 Pandemic</p> <p>In Virginia, community health centers, and affiliated safety net providers, operate over 150 sites across Virginia, from Chincoteague on the Eastern Shore, to the far corners and coalfields of Southwest Virginia, and across the Southside of Virginia.</p> <p>Our health centers operate in Medically Underserved Areas, or with Medically Underserved Populations. In many cases, our centers are the only source of primary health care for their communities and the patients that we serve.</p> <p>Health centers serve over 350,000 Virginians across the Commonwealth. Many of those that we serve are at or below 200% of the Federal Poverty Level. In addition, a significant portion of our patients are uninsured, or on Medicaid.</p> <p>Virginia has been particularly impacted by the COVID-19 pandemic. Our health centers have seen drastic reductions in patient visits and revenues. As of June 5th, 21 of our health center sites are still closed, and patient visits have only recovered to 67% of pre-pandemic visits.</p> <p>Although an improvement from prior weeks, the financial harm of our health centers since March will take months, if not years, for our health centers to recover.</p> <p>Our analysis indicates that the health centers are experiencing significantly increased costs for COVID-19 related supplies, while at the same time suffering from revenues that have and may well continue to decrease as the pandemic continues into the foreseeable future.</p> <p>Community health centers and related safety net providers are being placed in a financial vise.</p> <p>Our estimates indicate that in a potentially "worst case" scenario, health centers in Virginia alone could face a loss of revenues as high as \$159 million, while additional expenses related to COVID-19 may run over \$44 million, on top of the revenue losses.</p> <p>Nationally, those figures will be drastically higher.</p> <p>To help meet the needs in our medically underserved communities, our health centers are in critical need of funding to assist them in staying open and serving their communities, retaining highly skilled health care providers, and serving their patients and communities in new ways, such as expanding the use of telehealth, creating pandemic safe medical facilities, and revamping operations to the new and continually changing "normal" of health care services.</p> <p>As community-based, non-profit organizations committed to ensuring access to health care, FQHCs have been on the frontlines of the COVID-19 pandemic since the beginning. With more than 12,000 care delivery sites nationally, FQHCs provide care for nearly 30 million patients. Our patients have been disproportionately impacted by the pandemic, as 91% of them are low-income, 23% are uninsured, and 68% are racial and ethnic minorities, many of whom suffer from multiple chronic health conditions associated with poverty and the effects of racism.</p> <p>Throughout the pandemic, FQHCs have provided a range of critical front-line care and a growing proportion of testing, particularly in the low-</p>

Main Street Lending Program
Nonprofit Organizations Comments

Event Title / Description	Ticket Type	Received Date	Last Name	First Name	Email Address	Affiliation	Comment
							<p>income, minority communities they serve. At the same time, FQHCs have experienced a significant decline in revenue, due to the need to curtail many primary and preventive care visits. This combination has placed major financial strain on these non-profit, community-based providers, forcing them to close sites and lay off staff at the time when their services are most needed.</p> <p>While FQHCs have received some Federal funding to support COVID relief, for many FQHCs this funding is not enough to reestablish their pre-COVID level of operations, let alone prepare for the increased demand that will result as millions of newly-unemployed and uninsured individuals turn to them for care.</p> <p>To date, the Provider Relief Fund has offered most FQHCs only 2% of their net patient revenues; also, FQHCs with over 500 staff - which in total care for about 9 million patients - are ineligible for Paycheck Protection Loans because of their size.</p> <p>Recommendation to expand eligibility criteria to allow majority of FQHCs to qualify:</p> <p>Because of these financial needs, the Association and our health centers were relieved to learn that the Federal Reserve would soon start offering Main Street Loans to non-profits. However, after reviewing the proposed Terms Sheet and consulting with experts, we have concluded that almost no FQHCs would qualify under the proposed eligibility criteria.</p> <p>This conclusion is based on an analysis conducted by Capital Link, a non-profit organization that receives funding from the Federal Department of Health and Human Services to assist FQHCs with accessing capital.</p> <p>Capital Link determined that under the proposed lending parameters: Prior to the pandemic, only 13% of health centers would have met the combined criteria. This includes less than one in five of the FQHCs with over 500 staff, who are currently ineligible for the Paycheck Protection Program. Because of the significant cash declines experienced by FQHCs as a result of COVID-19, at present, far fewer than 13% would be able to meet the DCOH and Cash/Debt ratio at loan origination.</p> <p>The most problematic financial parameters for FQHCs are: EBIDA to unrestricted 2019 operating revenue greater than or equal to 5% Days cash on hand at loan origination equal to or greater than 90 days Ratio of unrestricted cash and investments to outstanding debt (including Main Street debt and CMS Accelerated and Advance Payments) at origination is 65% or greater</p> <p>In order to provide a meaningful program for which approximately 60% of FQHCs would qualify, we request that the Federal Reserve adjust the following lending parameters for FQHCs loans as follows: EBIDA to unrestricted 2019 operating revenue greater than or equal to 3% Days cash on hand at loan origination equal to or greater than 30 days Eliminate the unrestricted cash to debt ratio requirement Lower the minimum employee requirement to 20.</p> <p>In addition, we ask that the Federal Reserve clarify the eligibility requirement that reads: "has not received specific support pursuant to the Coronavirus Economic Stabilization Act of 2020 (Subtitle A of Title IV of the CARES Act)." As you know, Section 4003 of Title IV authorizes the Federal government to make loans to States and municipalities for COVID-19 relief. It is possible that a state or municipality could receive a loan under Section 4003, and use part of it to support FQHCs or other safety net providers. To make clear that FQHCs or other providers who receive this type of support from their state are still eligible for Main Street Loans, we recommend that the term "specific support" be revised to read "direct support."</p> <p>Request for FQHCs to work directly with CDFIs to access Main Street Loans</p> <p>Finally, it is important to note that Community Development Financial Institutions (CDFIs) have historically played a major role in providing financing to FQHCs for decades. As such, they understand the FQHC model and are best positioned to underwrite loans to health centers. A coalition of 25 CDFIs who are members of the Lenders Coalition for Community Health Centers have collectively provided more than \$2.1 billion in loans to FQHCs, with a default rate of less than 1/10th of 1%.</p>

Main Street Lending Program
Nonprofit Organizations Comments

Event Title / Description	Ticket Type	Received Date	Last Name	First Name	Email Address	Affiliation	Comment
							<p>Unfortunately, very few CDFIs would qualify as eligible lenders under the program as it is currently construed.</p> <p>To enable FQHCs to work directly with lenders who best understand their model and needs, we recommend that the Federal Reserve structure the nonprofit portion of the Main Street Loan Program to:</p> <ul style="list-style-type: none"> Allow CDFIs to participate as lenders in the program; and Allow CDFIs to borrow from the Federal Reserve under the same terms as banks, which would enable CDFIs to offer interest rates to FQHCs at LIBOR +3% <p>We are providing these comments on short notice to accommodate the Federal Reserve's request.</p> <p>We would be happy to provide more detailed comments and/or provide additional information to assist the Federal Reserve in developing a program that will be responsive to the current needs of Federally Qualified Health Centers.</p>

Main Street Lending Program
Nonprofit Organizations Comments

Event Title / Description	Ticket Type	Received Date	Last Name	First Name	Email Address	Affiliation	Comment
Staff Group - Main Street Lending Program - Nonprofit Organization Facilities	PIO (Email from Web)	6/22/2020 12:00:00 AM	Haifley	Gregg	gregg.haifley@cancer.org	American Cancer Society Cancer Action Network	<p>Comments of the American Cancer Society Cancer Action Network Regarding the Proposed Main Street Lending Program for Nonprofit Organizations - NONLF and NOELF</p> <p>June 22, 2020</p> <p>The American Cancer Society Cancer Action Network, Inc. (ACS CAN) appreciates the opportunity to submit comments to the Federal Reserve about the Nonprofit Organization Loan Facilities. ACS CAN is the advocacy affiliate of the American Cancer Society (ACS), a nonprofit public charity that may benefit from a loan program. This proposal as drafted, however, would prevent many publicly supported charities from qualifying.</p> <p>ACS is a health organization with a century of experience serving cancer patients, caregivers, and health providers in the prevention of, treatment for, and recovery from cancer. This support does not come with a fee. For instance, ACS responds to 1 million callers a year seeking cancer information and assistance. It has a history of housing cancer patients and caregivers in 31 Hope Lodges without charge during cancer treatment. In recent years, ACS invested more than \$250 million a year on these patient services; \$100 million a year in cancer prevention programs, such as training and partnerships for cancer screening to hospitals and doctors, including 8,000 health systems; promoting prevention or cessation of tobacco use; and \$150 million a year to conduct research to prevent and treat cancer. Each year there are more than 1.5 million new cancer cases in the US, and ACS is here for Americans because of contributions from individuals and other donors.</p> <p>Our comments on specific aspects of the proposed Nonprofit Organization Loan Facilities program are as follows:</p> <p>1. Congress Must Act to Ensure Mid-Sized Nonprofits are Eligible for Loan Forgiveness</p> <p>Congress must ensure that mid-sized nonprofits have access to loan forgiveness. While it is a welcome development that the Federal Reserve is making its Main Street lending program available to some nonprofits, this assistance will fall short of what is most needed by nonprofit organizations - a statutory provision that makes these loans forgivable.</p> <p>In this critical time, charities have stepped up to meet the unprecedented level of need in our country due to the COVID-19 pandemic. Even though they face many of the same economic challenges as other entities, charitable organizations are not shutting down, but retooling under new realities. The ACS opened its doors to first responders, allowing them to take respite and protect their own families, by offering use of the ACS's Hope Lodges near hospitals. ACS is adopting measures to protect cancer patients as they return to treatment and Hope Lodges. ACS has been resilient to adjust to new ways to help cancer patients. As with other charities, ACS is strained financially to meet the demands of cancer patients and families, advancing preventive care, and keeping our communities connected. ACS plays an integral role in the lives of cancer patients, their caregivers, and in primary care services that detect or prevent cancer while these individuals face COVID-19.</p> <p>Charitable nonprofits of all sizes and focus areas are struggling to maintain mission-critical operations despite enormous economic challenges. Data released by Independent Sector shows that nonprofits with between 500 and 5,000 employees, key to scaling relief efforts across the nation, have been severely impacted by this health and economic crisis. When asked "What types of additional assistance would be most helpful to your organization?" organizations overwhelmingly (92% of responses) suggested government support in the form of forgivable loans. Smaller nonprofits throughout the country have been hit equally hard.</p> <p>Nonprofit organizations need funding so they can continue to meet the needs of their communities. Many charitable organizations do not have steady streams of payment for services income and have little capacity for loan and interest repayment. Furthermore, nonprofits are the third largest employment sector and many hope to hire more workers as their organizations recover. America cannot afford to leave out such a vital part of the economy.</p> <p>Recommendation: Congress must recognize the vital services nonprofits provide to communities and the economy by including loan forgiveness in the next round of COVID-19 relief legislation.</p> <p>2. The Federal Reserve's Proposal to Limit Loans to Mid-Size Nonprofits with Less than 30% of Revenue from Donations Disqualifies Many in the Charitable Sector</p> <p>The Federal Reserve's criteria that organizations must have revenues from donations that are less than 30% disqualify many charities, including ACS. Overall, this loan facility seems more applicable to for-profit entities, as well as nonprofit that sell services like educational</p>

Main Street Lending Program
Nonprofit Organizations Comments

Event Title / Description	Ticket Type	Received Date	Last Name	First Name	Email Address	Affiliation	Comment
							<p>institutions and nonprofit hospitals, but not many critical charitable organizations. ACS in the past has generally received approximately 90% of revenues from donations.</p> <p>ACS raises money and receives donations from the public, foundations, corporations and others to fund our mission for patient services, prevention and research. ACS provides vital services for people trying to access health care for preventive or screening services, cancer patients, caregivers, and health partners trying to prevent or treat cancer. The charitable financial support of ACS and its mission demonstrates the trust that the public has in ACS, yet that trust as exhibited by individual donations is inadequate in the face of the 30% provision to qualify for support through the proposed lending facilities.</p> <p>Recommendation: Eliminate the requirement that no more than 30 percent of an organization's 2019 revenues come from donations, and instead, make Section 501c(3) organizations eligible that otherwise meet the employee size standard.</p> <p>3. The Federal Reserve Needs to Make Loan Terms More Favorable for Charitable Organizations</p> <p>With the uncertainty of economic conditions, driven by the health concerns around COVID-19 for the foreseeable future, the recovery for businesses and nonprofits will be slow. For that reason, the terms of lending should fully accommodate the conditions around not only spending and employment, but also charitable giving. The U.S. Congressional Budget Office predicts recovery will likely take a full decade. A loan of five years will create a balloon payment for nonprofit borrowers at just the time they may be returning to increasing income. In addition, in a time that interest rates are at historic lows, this proposal has interest rates of LIBOR plus 300 basis points, significantly higher than that offered for Paycheck Protection Program Loans (1.0%) and that for Economic Injury Disaster Loans (2.75%).</p> <p>Recommendation: The public charities participating should be given a longer term of years for repayment. In particular, the Expanded Loan Facility for larger loans should have options for a longer term-of-years reflective of the decade plus economic recovery. This approach would keep charities with nationwide service programs on stronger financial ground and allow the benefits to continue for critical communities in need. In addition, a range of lower interest rates based on size and length of the loan should be permissible in the absence of a Congressional mandate for forgivable loans.</p> <p>4. Additional Recommendations and Requests for Clarification</p> <p>The Federal Reserve should also clarify and reconsider the following issues:</p> <p>Endowment: Endowments are the least flexible source of funding for a charity, because the use has been restricted by donor intent. Lending based on the endowment criterium should be carefully tailored to the true liquidity of endowments in an evaluation between the lender and borrower.</p> <p>Collateral: Flexibility on collateral should be incorporated. Many organization's assets are already restricted to donor intent and mission services. As a result, they cannot be obligated for loans. It may be a point better left between a lender and borrower.</p> <p>Refinancing. There may be value in offering lending guarantees to refinance debts at lower rates to allow a charity to place itself on strong financial footing given the expected long-term economic conditions.</p> <p>ACS CAN appreciates this opportunity to comment on the nonprofit lending proposal and welcomes the opportunity to answer questions about these comments. For further information, please contact Gregg Haifley, Director, Federal Relations, ACS CAN at Gregg.Haifley@Cancer.org.</p>
Staff Group - Main Street Lending Program - Nonprofit Organization - Nonprofit Facilities	PIO (Email from Web)	6/22/2020 12:00:00 AM	Ferguson	Chris	Personal Email Address		<p>Please reconsider the proposed eligibility requirement that non-profits have at least 50 employees to qualify for a Main Street Lending Program loan. A non-profit shouldn't be discriminated against based on employee size. The impact of a non-profit and the ability to pay back a loan is not aligned with the the employee size of the organization. The point of this program seems to be the ability for a PRE-covid successful small to mid-size business/non-profit that has been impacted by the pandemic to have access to a loan to help the company or non-profit navigate and rebound from the negative impact of the virus.</p> <p>There are many small non-profits that have a tremendous impact on many people and will be put out of business because of the virus. Please eliminate the employee minimum and make the program an option for these successful organizations knowing the loan will allow these smaller organizations a pathway to survival and less disruption for the direct impact they have on impacting the lives of many people.</p>

Main Street Lending Program
Nonprofit Organizations Comments

Event Title / Description	Ticket Type	Received Date	Last Name	First Name	Email Address	Affiliation	Comment
Staff Group - Main Street Lending Program - Nonprofit Organization Facilities	PIO (Email from Web)	6/22/2020 12:00:00 AM	Coral	Vitor	vcoral@borregohealth.org	Borrego Health	<p>I am writing on behalf of Borrego Health, A Federally Qualified Health Center (FQHC) based in Southern California. FQHCs are community-based, non-profit organizations whose goal is to provide affordable, accessible health care for all individuals, regardless of their ability to pay. As explained below, we appreciate the Federal Reserve's intention to expand Main Street Loans to non-profit organizations; however, after analyzing the draft Term Sheet, we have determined that almost no FQHCs would qualify for these loans under the current eligibility requirements. Therefore, we are requesting that:</p> <ul style="list-style-type: none"> the loan terms be revised to enable the majority of FQHCs to qualify, and FQHCs be permitted to work with Community Development Financial Institutions (CDFIs) to access Main Street loans, as CDFIs understand the unique FQHC model and collectively have provided more than \$2.1 billion in loans to FQHCs, with a default rate of less than 1/10th of 1%. <p>Background on Borrego Health and the COVID-19 Pandemic Borrego Health has maintained operations at 40 clinic locations, including three pharmacies, during the COVID-19 pandemic to serve our most vulnerable patients throughout San Diego, Riverside and San Bernardino Counties. We have also expanded our telehealth, teledentistry and telephonic services to avoid unnecessary exposure for our patients, and today all of our providers are able to offer remote health services. Additionally, we have launched a COVID-19 hotline number, through which our patients and the population at large can have immediate access to a triage nurse and, if needed, to schedule an appointment for testing. We continue to partner with local businesses, fellow community health centers, and organizations to bring high-quality health services for the communities we serve, to the extent that we are able. As community-based, non-profit organizations committed to ensuring access to health care, FQHCs have been on the frontlines of the COVID-19 pandemic since the beginning. With more than 12,000 care delivery sites nationally, FQHCs provide care for nearly 30 million patients. Our patients have been disproportionately impacted by the pandemic, as 91% of them are low-income, 23% are uninsured, and 68% are racial and ethnic minorities, many of whom suffer from multiple chronic health conditions associated with poverty and the effects of racism. Throughout the pandemic, FQHCs have provided a range of critical front-line care and a growing proportion of testing, particularly in the low-income, minority communities they serve. At the same time, FQHCs have experienced a significant decline in revenue, due to the need to curtail many primary and preventive care visits. This combination has placed major financial strain on these non-profit, community-based providers, forcing them to close sites and lay off staff at the time when their services are most needed. While FQHCs have received some Federal funding to support COVID relief, for many FQHCs this funding is not enough to reestablish their pre-COVID level of operations, let alone prepare for the increased demand that will result as millions of newly-unemployed and uninsured individuals turn to them for care. To date, the Provider Relief Fund has offered most FQHCs only 2% of their net patient revenues; also, FQHCs with over 500 staff - which in total care for about 9 million patients - are ineligible for Paycheck Protection Loans because of their size. Recommendation to expand eligibility criteria to allow majority of FQHCs to qualify: Because of these financial needs, Borrego Health was relieved to learn that the Federal Reserve would soon start offering Main Street Loans to non-profits. However, after reviewing the proposed Terms Sheet and consulting with experts, we have concluded that almost no FQHCs would qualify under the proposed eligibility criteria. This conclusion is based on an analysis conducted by Capital Link, a non-profit organization that receives funding from the Federal Department of Health and Human Services to assist FQHCs with accessing capital. Capital Link determined that under the proposed lending parameters: Prior to the pandemic, only 13% of health centers would have met the combined criteria. This includes less than one in five of the FQHCs with over 500 staff, who are currently ineligible for the Paycheck Protection Program. Because of the significant cash declines experienced by FQHCs as a result of COVID-19, at present, far fewer than 13% would be able to meet the DCOH and Cash/Debt ratio at loan origination.</p> <p>The most problematic financial parameters for FQHCs are: EBIDA to unrestricted 2019 operating revenue greater than or equal to 5% Days cash on hand at loan origination equal to or greater than 90 days Ratio of unrestricted cash and investments to outstanding debt (including Main Street debt and CMS Accelerated and Advance Payments) at origination is 65% or greater</p> <p>In order to provide a meaningful program for which approximately 60% of FQHCs would qualify, we request that the Federal Reserve adjust the following lending parameters for FQHCs loans as follows: EBIDA to unrestricted 2019 operating revenue greater than or equal to 3% Days cash on hand at loan origination equal to or greater than 30 days Eliminate the unrestricted cash to debt ratio requirement Lower the minimum employee requirement to 20.</p> <p>In addition, we ask that the Federal Reserve clarify the eligibility requirement that reads: "has not received specific support pursuant to</p>

Main Street Lending Program
Nonprofit Organizations Comments

Event Title / Description	Ticket Type	Received Date	Last Name	First Name	Email Address	Affiliation	Comment
							<p>the Coronavirus Economic Stabilization Act of 2020 (Subtitle A of Title IV of the CARES Act)." As you know, Section 4003 of Title IV authorizes the Federal government to make loans to States and municipalities for COVID-19 relief. It is possible that a state or municipality could receive a loan under Section 4003, and use part of it to support FQHCs or other safety net providers. To make clear that FQHCs or other providers who receive this type of support from their state are still eligible for Main Street Loans, we recommend that the term "specific support" be revised to read "direct support."</p> <p>Request for FQHCs to work directly with CDFIs to access Main Street Loans</p> <p>Finally, it is important to note that Community Development Financial Institutions (CDFIs) have historically played a major role in providing financing to FQHCs for decades. As such, they understand the FQHC model and are best positioned to underwrite loans to health centers. A coalition of 25 CDFIs who are members of the Lenders Coalition for Community Health Centers have collectively provided more than \$2.1 billion in loans to FQHCs, with a default rate of less than 1/10th of 1%.</p> <p>Unfortunately, very few CDFIs would qualify as eligible lenders under the program as it is currently construed. To enable FQHCs to work directly with lenders who best understand their model and needs, we recommend that the Federal Reserve structure the nonprofit portion of the Main Street Loan Program to:</p> <ul style="list-style-type: none"> Allow CDFIs to participate as lenders in the program; and Allow CDFIs to borrow from the Federal Reserve under the same terms as banks, which would enable CDFIs to offer interest rates to FQHCs at LIBOR +3% <p>We are providing these comments on short notice to accommodate the Federal Reserve's request. We would be happy to provide more detailed comments and/or provide additional information to assist the Federal Reserve in developing a program that will be responsive to the current needs of Federally Qualified Health Centers.</p>

Main Street Lending Program
Nonprofit Organizations Comments

Event Title / Description	Ticket Type	Received Date	Last Name	First Name	Email Address	Affiliation	Comment
Staff Group - Main Street Lending Program - Nonprofit Organization Facilities	PIO (Email from Web)	6/22/2020 12:00:00 AM	Nilles	Michael	mnilles@bluehubcapital.org	BlueHub Capital	<p>Comments for Main Street Loan Programs for Nonprofits</p> <p>Thank you for the opportunity to provide comments on the Main Street Loan Program for Nonprofits. BlueHub Loan Fund, Inc. (BlueHub) is a nonprofit Community Development Financial Institution (CDFI) that provides facility financing for Federally Qualified Health Centers (FQHCs), which are nonprofit organizations whose goal is to provide affordable, accessible health care for all individuals, regardless of their ability to pay. BlueHub is the lending affiliate of BlueHub Capital, whose mission is to help build healthy communities where low-income people live and work.</p> <p>Over the past ten years, BlueHub has provided over \$40 million in financing in 18 loans to eight different FQHCs in the Northeast and New England. Our FQHC borrowers leveraged our debt to attract additional conventional capital for their facility projects. As a financing partner to these community-based nonprofit organizations, we are writing in support of the more than 1,400 Federally Qualified Health Centers across the country.</p> <p>We appreciate the Federal Reserve's intention to expand Main Street Loans to nonprofit organizations. However, after reviewing the draft Term Sheet, we believe that almost no FQHCs would qualify for these loans under the current eligibility requirements. Therefore, we request that:</p> <p>the loan terms be revised to enable the majority of FQHCs to qualify, and FQHCs be permitted to work with Community Development Financial Institutions (CDFIs) to access Main Street loans, as CDFIs understand the unique FQHC model and collectively have provided more than \$2.1 billion in loans to FQHCs, with a default rate of less than 1/10th of 1%.</p> <p>Background on FQHCs and the COVID-19 Pandemic</p> <p>As community-based, nonprofit organizations committed to ensuring access to health care, FQHCs have been on the frontlines of the COVID-19 pandemic since the beginning. With more than 12,000 care delivery sites nationally, FQHCs provide care for nearly 30 million patients. FQHC patients have been disproportionately impacted by the pandemic, as 91% of them are low-income, 23% are uninsured, and 68% are racial and ethnic minorities, many of whom suffer from multiple chronic health conditions associated with poverty and the effects of racism.</p> <p>Throughout the pandemic, FQHCs have provided a range of critical front-line care and a growing proportion of testing, particularly in the low-income, minority communities they serve. At the same time, FQHCs have experienced a significant decline in revenue, due to the need to curtail many primary and preventive care visits. This combination has placed major financial strain on these nonprofit, community-based providers, forcing them to close sites and lay off staff at the time when their services are most needed.</p> <p>While FQHCs have received some Federal funding to support COVID relief, for many FQHCs this funding is not enough to reestablish their pre-COVID level of operations, let alone prepare for the increased demand that will result as millions of newly-unemployed and uninsured individuals turn to them for care. To date, the Provider Relief Fund has offered most FQHCs only 2% of their net patient revenues; also, FQHCs with over 500 staff - which in total care for about 9 million patients - are ineligible for Paycheck Protection Loans because of their size.</p> <p>Recommendation to expand eligibility criteria to allow majority of FQHCs to qualify:</p> <p>For these reasons, BlueHub was relieved to hear that the Small Business Administration will soon make Main Street Loans available to nonprofit organizations with 50 to 15,000 employees. However, after reviewing the Terms Sheet, we determined that almost no FQHCs would qualify under the proposed eligibility criteria.</p> <p>This conclusion is based on an analysis conducted by Capital Link, a nonprofit organization that receives funding from the Federal Department of Health and Human Services to assist FQHCs with accessing capital. Capital Link determined that under the proposed lending parameters:</p> <p>Prior to the pandemic, only 13% of health centers would have met the combined criteria. This includes less than one in five of the FQHCs with over 500 staff, who are currently ineligible for the Paycheck Protection Program.</p> <p>At present, because of the significant cash declines experienced by FQHCs as a result of COVID-19, far fewer than 13% would be able to meet the DCOH and Cash/Debt ratio at loan origination.</p> <p>The most problematic financial parameters for FQHCs are: EBIDA to unrestricted 2019 operating revenue greater than or equal to 5%; Days cash on hand at loan origination equal to or greater than 90 days; and Ratio of unrestricted cash and investments to outstanding debt (including Main Street debt and CMS Accelerated and Advance Payments) at origination is 65% or greater.</p> <p>To provide a meaningful program for which approximately 60% of FQHCs would qualify, we request that the Federal Reserve adjust the</p>

Main Street Lending Program
Nonprofit Organizations Comments

Event Title / Description	Ticket Type	Received Date	Last Name	First Name	Email Address	Affiliation	Comment
							<p>following lending parameters for FQHCs loans as follows: EBIDA to unrestricted 2019 operating revenue greater than or equal to 3%; Days cash on hand at loan origination equal to or greater than 30 days; Eliminate the unrestricted cash to debt ratio requirement; and Lower the minimum employee requirement to 20.</p> <p>In addition, we ask that the Federal Reserve clarify the eligibility requirement that reads: "has not received specific support pursuant to the Coronavirus Economic Stabilization Act of 2020 (Subtitle A of Title IV of the CARES Act)." As you know, Section 4003 of Title IV authorizes the Federal government to make loans to States and municipalities for COVID-19 relief. It is possible that a state or municipality could receive a loan under Section 4003, and use part of it to support FQHCs or other safety net providers. To make clear that FQHCs or other providers who receive this type of support from their state are still eligible for Main Street Loans, we recommend that the term "specific support" be revised to read "direct support."</p> <p>Request for FQHCs to work directly with CDFIs to access Main Street Loans Finally, it is important to note that Community Development Financial Institutions (CDFIs) have historically played a major role in providing financing to FQHCs for decades. As such, they understand the FQHC model and are best positioned to underwrite loans to health centers. We are part of a 25-member coalition of CDFIs who have joined together to promote access to capital for FQHCs. Together, members of the Lenders Coalition for Community Health Centers have collectively provided more than \$2.1 billion in loans to FQHCs, with a default rate of less than 1/10th of 1%.</p> <p>Unfortunately, very few CDFIs would qualify as eligible lenders under the program as it is currently constructed. To enable FQHCs to work directly with lenders who best understand their model and needs, we recommend that the Federal Reserve structure the nonprofit portion of the Main Street Loan Program to: Allow CDFIs to participate as lenders in the program; and Allow CDFIs to borrow from the Federal Reserve under the same terms as banks, which would enable CDFIs to offer interest rates to FQHCs at LIBOR +3%.</p> <p>We are providing these comments on short notice to accommodate the Federal Reserve's request. We would welcome the opportunity to provide more detailed comments and/or provide additional information to assist the Federal Reserve in developing a program that will be responsive to the current needs of Federally Qualified Health Centers.</p>

Main Street Lending Program
 Nonprofit Organizations Comments

Event Title / Description	Ticket Type	Received Date	Last Name	First Name	Email Address	Affiliation	Comment
Staff Group - Main Street Lending Program - Nonprofit Organization Facilities	PIO (Email from Web)	6/22/2020 12:00:00 AM	Kuzmeski	Patricia	pkuzmeski@thomhchild.org	Thom Westfield Infant & Toddler Services	<p>The non-profit agency I help lead has a 100 year history of helping families in Massachusetts. Last year, we delivered home visiting services to over 15,000 infants and toddlers. Our skilled staff of 864 professionals made this possible. And yet, because there are more than 500 of us, we were left without support for sick leave, paycheck protection, and forgivable loans. We are held to different criteria for the employee retention credit. We are left out of the economic stimulus that is essential for our organization's survival.</p> <p>The lack of cash flow to our agency and others like ours has led to job loss and has delayed job creation. The longer term impact is that communities, families, and our service sector will suffer for decades. Across the country, programs like ours are closing, furloughing staff, and stopping services to children who need our help.</p> <p>With access to favorable lending terms and with the same stimulus funding that was offered to smaller non-profits, we could start calling back to work our furloughed staff. We could continue to support children and families. We could avoid an erosion of our social service sector. Necessarily, however, the eligibility criteria ratio of, "adjusted 2019 EBIDA to unrestricted 2019 operating revenue, greater than or equal to 5%", excludes nearly every social service nonprofit known to us. This criteria is burdensome, unnecessary, and rewards nonprofit agencies that have chosen to retain a high earnings margin. To support nonprofits and economic recovery, this criteria must be removed. Thank you for your thoughtful consideration.</p>

Main Street Lending Program
Nonprofit Organizations Comments

Event Title / Description	Ticket Type	Received Date	Last Name	First Name	Email Address	Affiliation	Comment
Staff Group - Main Street Lending Program - Nonprofit Organization Facilities	PIO (Email from Web)	6/22/2020 12:00:00 AM	Bogdan	Henry	hbogdan@mdnonprofit.org	Maryland Nonprofits	<p>Comments to the Federal Reserve regarding the proposed Main Street Lending Program for nonprofit organizations - NONLF and NOELF</p> <p>Maryland Nonprofits, a statewide association of more than 1100 nonprofit organizations and institutions, provides the following recommendations to improve the proposed Nonprofit Organization Loan Programs:</p> <ol style="list-style-type: none"> 1. Loan Forgiveness: The Federal Reserve, either on its own or working with Congress, must recognize the extent to which the public and economy rely on the vital services nonprofits provide to communities and the economy by creating a forgivable loan program. 2. 50-Employee Floor: The Nonprofit Organization Loan programs must be revised to remove the 50-employee floor, that alone would exclude the majority of 501(c)(3) entities from consideration. 3. 30% Donations Cap: It is essential that the Federal Reserve eliminate the requirement that no more than 30 percent of an organization's 2019 revenues come from donations, as that would exclude many of the larger nonprofits for whom this relief is essential. 4. Loan Terms: Recognizing the unique nature of nonprofit operations and their importance in continuing to provide vital services as partners on the frontlines of the COVID-19 crisis, we urge the Federal Reserve to eliminate the liquidity and debt ratio provisions in the loan requirements. We also recommend lower interest rates in line with other nonprofit loan programs and a seven-year amortization. 5. Revising EBITA Ratio: The 5 percent requirement should be reduced to zero, if not eliminated. Further, nonprofit borrowers should be allowed to provide a statement of explanation of a deficit so that a negative ratio does not mean automatic ineligibility. Finally, clarification is needed on the calculation methodology - in the context of nonprofit operating budgets - regarding both restricted funding from grants in annual operating budgets and capital funds for improvements. 6. Clarifying Employee Retention Requirements: The term "mission-based" should be inserted before "reasonable efforts" to tailor employee retention requirements to the realities of nonprofit operations. The Employee retention requirements should also apply based on employment levels on the date of loan origination. The reasonable safe harbor provisions of the Paycheck Protection Program Flexibility Act should be extended to this loan program. 7. Additional Questions Recommendations: <ul style="list-style-type: none"> o Endowment: What resources should be included in endowment calculations? Does it include restricted endowments? Does it extend to include cash on hand? o Collateral: Flexibility on collateral is requested. The loan should be available with no more than 50 percent Loan to Value (LTV) if collateral is needed. o Other Debts: The proposal to restrict paying off existing loans should exclude lines of credit and other debt that are assumed to provide financial liquidity related to the impact of COVID-19. <p>The details of these recommendations are discussed in the set of comments submitted by the National Council of Nonprofits, which Maryland Nonprofits endorses and incorporates here by reference.</p>

Main Street Lending Program
Nonprofit Organizations Comments

Event Title / Description	Ticket Type	Received Date	Last Name	First Name	Email Address	Affiliation	Comment
Staff Group - Main Street Lending Program - Nonprofit Organization Facilities	PIO (Email from Web)	6/22/2020 12:00:00 AM	Goldstein	Eric	goldsteine@UJAFEDNY.org	UJA-Federation of NY	<p>June 22, 2020</p> <p>Board of Governors of the Federal Reserve Board</p> <p>Via Email Re: Comments on Main Street Lending Program to Provide Access to Credit for Nonprofit Organizations</p> <p>To Whom it May Concern at the Board of Governors of the Federal Reserve Board:</p> <p>Established more than 100 years ago, UJA-Federation of New York is one of the nation's largest local philanthropies. UJA identifies and meets the needs of New Yorkers of all backgrounds and Jews around the world, supporting hundreds of nonprofit organizations that serve those who are most vulnerable and others searching for programs and services. UJA is proud to partner with many of New York's human service organizations. These nonprofits provide essential services, such as shelter and residential programs, services for the elderly, access to food supports, home care and mental health care. These nonprofits are competitively selected to provide these services through contracts with State and Local governments.</p> <p>The Main Street Lending Program was established with the approval of the Treasury Secretary and with \$75 billion in equity provided by the Treasury Department from the CARES Act. While the nonprofit loans, including the interest rate, deferral of principal and interest payments, and five-year term, are the same as for Main Street business loans, the borrower eligibility requirements for the proposed nonprofit facilities (defined as a tax-exempt organization under section 501(c)(3) or 501(c)(19) of the Internal Revenue Code) would be modified from the for-profit facilities to reflect the operational and accounting practices of the nonprofit sector.</p> <p>UJA welcomes the opportunity to comment and supports the Main Street Lending Program being extended to nonprofit organizations with the following comments:</p> <ol style="list-style-type: none"> 1) The interest rate of LIBOR+3 is the same interest rate as for-profit corporations. Not having a distinction in interest rates based on organization's corporate structure and mission holds human service nonprofit organizations to the same payment standards as businesses. The intention of Main Street is to infuse cash into organizations struggling due to COVID-19. Nonprofits that provide essential services are all the more financially challenged in the COVID era, and this interest rate does not reflect the missions, business structures or challenges that human service nonprofit organizations face. 2) The Paycheck Protection Program was only available to organizations with 500 or fewer employees. Many New York based human service nonprofits have significantly more than 500 employees. In order to provide essential human service nonprofit organizations the same opportunities as their smaller peers, UJA proposes that Main Street create loan forgiveness (move from loan to grants) for organizations providing essential human services and utilizing Main Street as they were too large (more than 500 employees) to participate in Paycheck Protection. 3) Main Street loans are issued by lenders' evaluation of borrower's "financial health". UJA encourages understanding of nonprofit accounting and fiscal pressures, particularly as State and local government budgets are dramatically shrinking. Nonprofit organizations have different revenue sources and accounting principles and should be guided by experts in nonprofit financial health evaluation. <p>On behalf of UJA-Federation of New York, thank you for the opportunity to comment on the Main Street Lending Program proposal to provide access to credit for nonprofit organizations.</p> <p>Sincerely yours,</p> <p>Eric S. Goldstein</p>

Main Street Lending Program
Nonprofit Organizations Comments

Event Title / Description	Ticket Type	Received Date	Last Name	First Name	Email Address	Affiliation	Comment
Staff Group - Main Street Lending Program - Nonprofit Organization Facilities	PIO (Email from Web)	6/22/2020 12:00:00 AM	Blaiss	Michael	Personal Email Address	American Collge of Allergy, Asthma, and Immunology	<p>Expanding access to Main Street Lending Program for non-profit organizations is welcome news and much appreciated. However limiting this access to organizations that are 501c3 or 501c19 is disappointing,. Many nonprofit organizations (in particular Professional Associations) have a 501c6 tax exempt designation. Associations have been particularly hard hit financially by COVID-19 due to the cancelation of their in-person meetings. The in-person meetings and conferences are a major source of revenue for these nonprofit Associations and the lost revenue they are experiencing is creating tremendous financial hardship. While some are able to replicate the educational component of the meeting via a virtual platform, the lost revenue from vendor support cannot be replaced. I strongly urge you to consider making these Main Street loans available to nonprofit organizations that have a 501c6 tax status.</p> <p>Your consideration of this recommendation is appreciated.</p>
Staff Group - Main Street Lending Program - Nonprofit Organization Facilities	PIO (Email from Web)	6/22/2020 12:00:00 AM	Heinen	David	Personal Email Address	North Carolina Center for Nonprofits	<p>On behalf of the North Carolina Center for Nonprofits (the Center), I am writing to submit comments on the Federal Reserve's proposed Nonprofit Organization Loan programs - the Nonprofit Organization New Loan Facility (NONLF) and the Nonprofit Organization Extended Loan Facility (NOELF). The Center is a 501(c)(3) public charity with more than 1,400 nonprofit members serving all 100 counties of North Carolina. The Center has heard from hundreds of nonprofits in North Carolina that have lost revenue due to COVID-19 and are seeking access to capital to continue their operations.</p> <p>The Center appreciates the opportunity to submit comment to the Federal Reserve. This proposal appears to be aimed at organizations with a high percentage of their revenue coming from earned income rather than nonprofits with a larger reliance on donations from the public to support their missions. Indeed, many nonprofits pride themselves on offering their services at no charge. Recognizing that their business models are different, even if both types of charities are inherently organized around a public mission, many of the financial requirements included in this proposal simply are not applicable to organizations that rely on donations. With that in mind, the Center respectfully requests the Federal Reserve to address the concerns and proposed changes outlined below.</p> <p>1. Congress Must Act to Ensure Mid-Sized Nonprofits are Eligible for Loan Forgiveness Congress must ensure that mid-sized nonprofits have access to loan forgiveness. While it is a welcome development to see the Federal Reserve making its Main Street lending program available to some nonprofits, this assistance still falls short of what is most needed by nonprofit organizations - a provision that makes these loans forgivable.</p> <p>In this critical time, nonprofits have stepped up to meet the unprecedented level of need in our country due to the COVID-19 pandemic. Even though they face many of the same economic challenges as other industries, nonprofits are not shutting down. Rather, they are straining to meet increasing demands in our communities on the frontlines, caring for the sick, feeding families, and keeping our communities connected. Furthermore, they will play an integral role as our nation recovers - providing child care, job training, and other core supports.</p> <p>Nonprofit organizations need funding so they can continue to meet the needs of their communities. Many charitable organizations do not have steady streams of commercial income and have little capacity for loan and interest repayment. Furthermore, nonprofits provide about 10% of private sector jobs in North Carolina, and many nonprofits hope to hire more workers as their organizations recover. America cannot afford to leave out such a vital part of the economy.</p> <p>Recommendation: Congress must recognize the vital services nonprofits provide to communities and the economy by including loan forgiveness in the next round of COVID-19 relief legislation. We hope that that Federal Reserve will work with Congress to make these loans forgivable for nonprofits.</p> <p>2. The Federal Reserve's Proposal to Limit Loans to Mid-Size Nonprofits with Less than 30% of Revenue from Donations Disqualifies Many in Charitable Sector The Federal Reserve's criteria that organizations must have revenues from donations that are less than 30% disqualify many charities in North Carolina and elsewhere in the country. Overall, this loan facility seems more applicable to for-profit entities, as well as educational institutions and nonprofit hospitals, but not most charitable organizations.</p> <p>Recommendation: Eliminate the requirement that no more than 30% of an organization's 2019 revenues come from donations, and instead make 501(c)(3) organizations that are otherwise meet the employee size are eligible.</p> <p>3. The Federal Reserve Needs to Make Loan Terms More Favorable to Charitable Organizations</p>

Main Street Lending Program
Nonprofit Organizations Comments

Event Title / Description	Ticket Type	Received Date	Last Name	First Name	Email Address	Affiliation	Comment
							<p>The draft Nonprofit Loan Facility imposes certain liquidity, asset, and reserve requirements that are not required in Main Street New Loan Facilities available to for-profit businesses.</p> <p>Nonprofit organizations typically provide services with low-profit margins and many provide services below cost. It is important to note that the vast majority of overall funding for social service nonprofits comes from government grants contracts, recognizing the key role such organizations play in serving the most vulnerable. Numerous studies confirm that government funding seldom covers the full cost of providing contracted work, which inhibits nonprofits from accumulating reserves through surpluses. In many instances, government grant/contract work creates cash-flow challenges since it is paid after the work has been completed and can be subject to significant delays in payment.</p> <p>Recommendation: Recognizing the unique nature of nonprofit operations and their importance in continuing to provide vital services as partners on the front lines of the COVID-19 crisis, we urge the Federal Reserve to eliminate borrower requirements 7 and 8. If this is not possible, we alternatively ask that the requirements be lessened significantly to reflect the economic realities of nonprofit operations, for example by requiring only 30 days cash on hand, and bringing the loan origination ratio of 40-50% (down from 65% as proposed).</p> <p>We are also concerned that certain eligible loan features are too onerous for nonprofit organizations and are less favorable than those offered in other government programs. Specifically, the interest rate of LIBOR plus 300 basis points is significantly higher than that offered for Paycheck Protection Program (&quot;PPP&quot;) Loans (1.0%) and that for Economic Injury Disaster Loans (2.75%). In addition, the imposition of loan origination and service fees adds to the cost under the Nonprofit Facility. Finally, the notion that nonprofits would be faced with a 70% balloon payment at the end of the fifth year of the loan would be off-putting for many nonprofits. Nonprofits with existing loans with balloon payments are usually provided an opportunity to renegotiate such loans at prevailing market rates.</p> <p>Recommendation: We urge that the loan terms including interest rate and balloon payments be revisited and recommend the lowest permissible rate such as the 0.5% rate initially proposed for PPP loans. In addition, we urge some flexibility in the balloon payment requirement to afford the opportunity for renegotiation. If the five-year amortization were extended to seven years, this could lessen the balloon payment. We request that the borrower have access to engage with derivatives (change to a fixed rate) without the minimum swap requirements.</p> <p>4. The Ratio of Adjusted 2019 Earnings before &quot;EBIDA&quot; Should Be Revised In the &quot;Draft for Public Consultation,&quot; for both the NONLF and the NOELF, one of the eligibility criteria for borrowers is that they must have &quot;a ratio of adjusted 2019 earnings before interest, depreciation, and amortization (&quot;EBIDA&quot;) to unrestricted 2019 operating revenue, greater than or equal to 5%.&quot; (#6) In the context of nonprofit operations, this threshold is too high and would make many, if not most, nonprofits ineligible based on these criteria alone, which seems written more in the context of for-profit businesses as opposed to nonprofit organizations.</p> <p>It may certainly be prudent and necessary to have a positive ratio of adjusted earnings; however, nonprofits generally run on a small margin, both out of necessity and also so as to not leave excess surpluses that could be used for fulfilling their missions. Moreover, at times a nonprofit may have a planned and manageable deficit as part of a strategic plan-a negative ratio at one isolated point is not always an indication of instability.</p> <p>Furthermore, the footnotes for criteria #6 clarify that &quot;The Eligible Lender should calculate operating revenue as unrestricted operating revenue, excluding funds committed to be spent on capital.&quot; Many nonprofits have &quot;restricted revenue&quot; through grants and contracts built into their operating budgets. Excluding this revenue would compound the problem of meeting the 5% ratio. Although it would be sensible to exclude contributions raised for a &quot;capital campaign,&quot; excluding other capital funds included in an annual budget for maintenance and planned upgrades would further decrease the required ratio.</p> <p>Recommendation: The 5% requirement should be reduced to zero, if not eliminated. In addition, a statement of explanation of a deficit should be allowed so that a negative ratio does not mean automatic ineligibility for a nonprofit borrower. Finally, further clarification on the calculation methodology -in the context of nonprofit operating budgets- is needed in regard to both restricted funding from grants in annual operating budgets, as well as capital funds for improvements that are part of an annual operating budget. This clarification would allow noted revenues to remain in calculation to ease the restriction and not further restrict eligibility.</p> <p>5. &quot;Reasonable Efforts&quot; Regarding Employee Retention Require Further Clarification The description of &quot;Retaining Employees&quot; in the draft term sheet requires refinement if the Federal Reserve expects nonprofits to take advantage of this facility. We endorse the analysis of the National Council of Nonprofits on the issue of employee retention, and</p>

Main Street Lending Program
Nonprofit Organizations Comments

Event Title / Description	Ticket Type	Received Date	Last Name	First Name	Email Address	Affiliation	Comment
							<p>recommend the following:</p> <p>Recommendation: "Reasonable efforts" should be interpreted in the totality of the circumstances, taking into consideration not only the general economic environment in the community or communities in which the borrower operates, but also factors such as workforce, fundraising ability, revenue-generating activities, and overall demand for the services and programs the organization provides. One option would be to add the qualifier "mission-based" before "reasonable efforts."</p> <p>Recommendation: The terms "maintain its payroll" and "retain its employees" are vague and need further refinement. We ask the Federal Reserve to make clear that nonprofits participating in the Main Street loan program generally should endeavor to pay staff at the same or increased income levels and should act in good faith to keep staffing levels (measured on the basis of full-time equivalents) at the same or increased levels, both for the duration of the loan. It is also important that the loan documents expressly state that the employee retention provision begins on the date that loan funding is received by the borrower rather than at an earlier date.</p> <p>Recommendation: We ask that the Federal Reserve adopt safe harbors of other loan programs and state clearly that nonprofit borrowers will not be penalized under the employee retention provision for the decision of employees to decline offers of rehire, or for those who are fired for cause, voluntarily resign, or voluntarily request a reduced schedule during the time that the loan is outstanding.</p> <p>6. Limitation of 50-Employee Minimum Should Be Removed The term sheet for the proposed nonprofit loan facility imposes a size minimum that is not imposed in the Main Street New, Priority, or Expanded Loan Facilities for for-profit businesses. There is no explanation why the Federal Reserve is proposing that nonprofits with fewer than 50 employees should not be eligible for Main Street loans for which their small business counterparts of equal size could secure lending support.</p> <p>Many of the nonprofits in our network are on the frontlines of this pandemic, working with fewer than 50 employees to address immediate and growing needs. These vital organizations would be arbitrarily excluded from important loan program.</p> <p>Recommendation: The 50-employee floor should be removed.</p> <p>7. Additional Recommendations and Requests for Clarification The Center respectfully requests the Federal Reserve clarify the following issues in its final expansion notice. Endowment: What resources should be included in endowment calculations? Does it include restricted endowments? Does it extend to include cash on hand? Collateral: Flexibility on collateral is requested. The loan should be able to be approved with no more than 50% Loan to Value (LTV) if collateral is needed. Other Debts: The proposal requires that borrowers, "refrain from repaying the principal balance of, or paying any interest on, any debt until the Eligible Loan is repaid in full, unless the debt or interest payment is mandatory and due." We request that this exclude lines of credit and other debt that are assumed to provide financial liquidity related to the impact of COVID-19.</p> <p>Thank you for your consideration of these concerns.</p>
Coronavirus (COVID-19)	PIO (Email from Web)	6/22/2020 12:00:00 AM	Finlayson	Elizabeth	Personal Email Address	The Non-Profit Coach	<p>Thank you for looking to expand the Main Street Lending Program to non-profits. Not only do they employ many people across the United States, they also solve social problems that are expensive for government entities to try to resolve. As a consultant to non-profits, I know that there are many doing good work that are below your staffing threshold that could use support at lower dollar amounts. My request is that you also expand support to non-profits at this level.</p>

Main Street Lending Program
Nonprofit Organizations Comments

Event Title / Description	Ticket Type	Received Date	Last Name	First Name	Email Address	Affiliation	Comment
Staff Group - Main Street Lending Program - Nonprofit Organization Facilities	PIO (Email from Web)	6/22/2020 12:00:00 AM	Caldwell	Kyle	rbell@michiganfoundations.org	Council of Michigan Foundations	<p>The Council of Michigan Foundations (CMF) respectfully submits the following comments to the Federal Reserve System in response to &quot;a proposal to expand its Main Street Lending Program to provide access to credit for nonprofit organizations,&quot; as published in the Federal Reserve press release on June 15, 2020. As you are exploring ways to expand the program and provide access to credit for nonprofit organizations, we ask that you include the following provisions in your proposal:</p> <p>Apply the same NO minimum number of employees for for-profits to nonprofits Make loans forgivable for nonprofits Eliminate the requirement that no more than 30 percent of an organization's 2019 revenues come from donations</p> <p>CMF members have been working around the clock to support nonprofits serving on the frontlines of the COVID-19 pandemic to ensure the public's safety, and leading recovery efforts. Michigan's charitable sector is an economic engine, working yet starved of resources, as they employ nearly 470,000 people who provide critical services and economic benefit across our state and leverage more than one million volunteers. The pandemic has been highly disruptive to many nonprofits of all sizes deemed as essential businesses- requiring that they continue services while revenues are uncertain. The economic injury is particularly acute for smaller nonprofits often led by and serving communities of color. These communities have been disproportionately impacted by the COVID-19 pandemic. According to the Bureau of Labor Statistics research data on employment and wages for the nonprofit sector, a majority of nonprofit firms have 9 or fewer employees, with over 80 percent of nonprofits having 49 employees or fewer. Nonprofits with fewer than 50 employees should be eligible for Main Street loans just as their small business counterparts of equal size are eligible.</p> <p>As Federal Reserve Chair Powell indicated, &quot;Nonprofit organizations are critical parts of our economy, employing millions of people, providing essential services to communities, and supporting innovation and the development of a highly skilled workforce,&quot; now more than ever they need your support. Loan forgiveness has been central to the sustainability of many of our frontline community-based organizations.</p> <p>Finally, revenue from direct services is not the way that most nonprofits receive funding. The Federal Reserve's proposal to limit loans to nonprofits with less than 30 percent of revenue from donations disqualify many nonprofits who receive donations and funding from the public, corporations and foundations like CMF members. Without appropriate federal assistance, many organizations on which Americans rely on are not likely to survive.</p> <p>In order for charitable nonprofits and the communities they serve to fully benefit from the program, adjustments must be made to ensure nonprofits with fewer than 50 employees are eligible, loan forgiveness provisions are included, and Eliminate the requirement that no more than 30 percent of an organization's 2019 revenues come from donations.</p> <p>Thank you for your consideration and as always, please let us know if you have any questions.</p>
Coronavirus (COVID-19)	PIO (Email from Web)	6/22/2020 12:00:00 AM	Peirent	Marie	mpeirent@thomchild.org	Thom Springfield	<p>Our non-profit agency has a 100 year history of helping families in Massachusetts. Last year, we delivered home visiting services to over 15,000 infants and toddlers. Our skilled staff of 864 professionals made this possible. And yet, because there are more than 500 of us, we were left without support for sick leave, paycheck protection, and forgivable loans. We are held to different criteria for the employee retention credit. We are left out of the economic stimulus that is essential for our organization's survival.</p> <p>The lack of cash flow to our agency and others like ours has led to job loss and has delayed job creation. The longer term impact is that communities, families, and our service sector will suffer for decades. Across the country, programs like ours are closing, furloughing staff, and stopping services to children who need our help.</p> <p>With access to favorable lending terms and with the same stimulus funding that was offered to smaller non-profits, we could start calling back to work our furloughed staff of nurses, therapists, speech-language pathologists, educators, and other skilled specialists and administrators. We could continue to support children and families. We could avoid an erosion of our social service sector. We need immediate action. Non-profit agencies of our size must be included in the Main Street Lending Program and any subsequent mid-size loan programs.</p>

Main Street Lending Program
Nonprofit Organizations Comments

Event Title / Description	Ticket Type	Received Date	Last Name	First Name	Email Address	Affiliation	Comment
Staff Group - Main Street Lending Program - Nonprofit Organization Facilities	PIO (Email from Web)	6/22/2020 12:00:00 AM	Underwood	Joyce	junderwood@bdo.com	BDO USA, LLP	<p>Nonprofit organizations are often part of an affiliated group that can include different types of nonprofit organizations as well as for-profit entities. Assuming a for-profit member meets the MSLP requirements for the small and medium-sized business program and is controlled by a nonprofit that was eligible for the nonprofit program, would both be able to apply for a loan and to what limit? Does one member receiving a loan in one facility preclude the other from obtaining a loan in the other? How would financial information be provided where this group had audited financial statements only reporting consolidated totals and not separate amounts for each nonprofit and for-profit entity.</p>
Staff Group - Main Street Lending Program - Nonprofit Organization Facilities	PIO (Email from Web)	6/22/2020 12:00:00 AM	Woolf	Steven	steven.woolf@jewishfederation.org	JFNA	<p>The Jewish Federations of North America (&quot;JFNA&quot;) is the umbrella organization of 145 Jewish federations across North America as well as over 300 &quot;network communities.&quot; In their individual communities, the Jewish Federations (collectively the &quot;Federation system&quot;) are the fundraising, central planning, and grant allocation coordinating body for any extensive network of Jewish health, social service, and educational agencies and organizations. Many of the employees of the Federation system and those of this network of agencies are on the frontline responding to the needs of the most vulnerable during this pandemic. We partner with government agencies at all levels to deliver life-saving nutrition, health care, and basic services each and every day.</p> <p>JFNA appreciates the opportunity to submit comment to the Federal Reserve about the Nonprofit Organization Loan Facilities under the Main Street Lending Program. These facilities can be a vital source of financing for so-called &quot;mid-sized&quot; nonprofits responding to the pandemic.</p> <p>1. Congress Must Act to Ensure Mid-Sized Nonprofits are Eligible for Loan Forgiveness</p> <p>While it is a welcome development to see the Federal Reserve making its Main Street lending program available to some nonprofits, this assistance still falls short of what is most needed by nonprofit organizations - a provision that makes these loans forgivable. All nonprofit organizations face funding challenges so they can continue to meet the needs of their communities. Many charitable organizations do not have steady streams of commercial income and have little capacity for loan and interest repayment. Congress must ensure that mid-sized nonprofits have access to loan forgiveness.</p> <p>In this critical time, nonprofits have stepped up to meet the unprecedented level of need in our country due to the COVID-19 pandemic. They are straining to meet increasing demands in our communities on the frontlines, caring for the sick, feeding families, and keeping our communities connected. Furthermore, they will play an integral role as our nation recovers - providing child care, job training, and other core supports. Furthermore, nonprofits are the third largest employment sector and many hope to hire more workers as their organizations recover. America cannot afford to leave out such a vital part of the economy.</p> <p>Recommendation: Congress must recognize the vital services nonprofits provide to communities and the economy by including loan forgiveness, in the next round of COVID-19 relief legislation</p> <p>2. The Fed's Proposal to Limit Loans to Mid-Size Nonprofits with Less than 30% of Revenue from Donations Disqualifies Many in Charitable Sector</p> <p>The Federal Reserve's criteria that organizations must have revenues from donations that are less than 30% disqualify many charities, including many social service and health care nonprofits affiliated with the Federation system. Overall, this loan facility seems more applicable to for-profit entities, as well as educational institutions and nonprofit hospitals, but not most charitable organizations. .</p> <p>Charitable organizations play a fundamental role in strengthening civil society. Our organizations provide vital services for the most vulnerable throughout the nation. Support from donors is based on public recognition of the importance of our mission and continues to generate public trust.</p> <p>We also question why the Federal Reserve would chose to impose a requirement that serves to contradict the current Internal Revenue Service standard which sets the minimum of &quot;public support&quot; for public charity status at 33 1/3%. The public support test is a long-standing minimum for an organization to qualify for preferable tax status.</p> <p>Recommendation: Eliminate the requirement that no more than 30 percent of an organization's 2019 revenues come from donations, and instead allow 501(c)(3) organizations that meet the &quot;public charity&quot; status to qualify for the Main Street program.</p> <p>3. The Fed Needs to Make Loan Terms More Favorable to Charitable Organizations</p> <p>The draft Nonprofit Loan Facility imposes certain liquidity, asset, and reserve requirements that are not required in Main Street New Loan Facilities available to for-profit businesses.</p>

Main Street Lending Program
Nonprofit Organizations Comments

Event Title / Description	Ticket Type	Received Date	Last Name	First Name	Email Address	Affiliation	Comment
							<p>Nonprofit organizations typically provide services with low-profit margins. Indeed, social service organizations report an average aggregate margin of 1.5%. According to a recent report by Seachange Capital Partners, the median social services nonprofit has a margin of 1.0%, receives 3.6% of its revenue from philanthropy (including investment income), has total financial assets (including endowments and other assets that are subject to legal restrictions) equal to 1.9 months of expenses, and operating reserves of less than one month of expenses. Less than 20% of large nonprofits have 6 months or more of operating reserves, a widely accepted standard for “financial strength” for nonprofits. Social services organizations are the most fragile, with fewer than 10% reaching this standard.</p> <p>The statistics above should not be viewed as an indictment of the efficiencies or management policies of nonprofits. It is important to note that the vast majority of social service nonprofit funding comes from government grants contracts, recognizing the key role such organizations play in serving the most vulnerable. Numerous studies confirm that government funding seldom covers the full cost of providing contracted work, which inhibits nonprofits from accumulating reserves through surpluses. In many instances, government grant/contract work creates cash-flow challenges since it is paid after the work has been completed and can be subject to significant delays in payment.</p> <p>Recommendation: Recognizing the unique nature of nonprofit operations and their importance in continuing to provide vital services as partners on the front lines of the COVID-19 crisis, we urge the Federal Reserve to eliminate borrower requirements 7 and 8. If this is not possible, we alternatively ask that the requirements be lessened significantly to reflect the economic realities of nonprofit operations, for example by requiring only 30 days cash on hand, and bringing the loan origination ratio of 40-50% (down from 65% as proposed).</p> <p>We are also concerned that certain eligible loan features are too onerous for nonprofit organizations and are less favorable than those offered in other government programs. Specifically, the interest rate of LIBOR plus 300 basis points is significantly higher than that offered for Paycheck Protection Program (“PPP”) Loans (1.0%) and that for Economic Injury Disaster Loans (2.75%). In addition, the imposition of loan origination and service fees adds to the cost under the Nonprofit Facility. Finally, the notion that nonprofits would be faced with a 70% balloon payment at the end of the fifth year of the loan would be off-putting for many nonprofits. Nonprofits with existing loans with balloon payments are usually provided an opportunity to renegotiate such loans at prevailing market rates.</p> <p>Recommendation: We urge that the loan terms including interest rate and balloon payments be revisited and recommend the lowest permissible rate such as the 0.5% rate initially proposed for PPP loans. In addition, we urge some flexibility in the balloon payment requirement to afford the opportunity for renegotiation. If the 5-year amortization were extended to 7 years, this could lessen the balloon payment. We request that the borrower have access to engage with derivatives (change to a fixed rate) without the minimum swap requirements.</p> <p>4. The Ratio of Adjusted 2019 Earnings before “EBIDA” Should Be Revised The Nonprofit Organization loan facilities would require borrowers to maintain “a ratio of adjusted 2019 earnings before interest, depreciation, and amortization (“EBIDA”) to unrestricted 2019 operating revenue, greater than or equal to 5%.” This threshold is too high and would make many, if not most, nonprofits ineligible and appears to be more appropriate for for-profit businesses.</p> <p>It may certainly be prudent and necessary to have a positive ratio of adjusted earnings; however, nonprofits generally run on a small margin, both out of necessity and because surplus, if any, are normally redirected toward mission-based programs. Moreover, at times a nonprofit may have a planned and manageable deficit as part of a strategic plan-a negative ratio at one isolated point is not always an indication of instability.</p> <p>Furthermore, the requirement contemplates that the ratio should calculate operating revenue as unrestricted operating revenue, excluding funds committed to be spent on capital.” Many nonprofits have “restricted revenue” through grants and contracts built into their operating budgets. Excluding this revenue would compound the problem of meeting the 5% ratio.</p> <p>Recommendation: The 5% requirement should be reduced to zero, if not eliminated. In addition, a statement of explanation of a deficit should be allowed so that a negative ratio does not mean automatic ineligibility for a nonprofit borrower. Finally, further clarification on the calculation methodology -in the context of nonprofit operating budgets- is needed in regard to both restricted funding from grants in annual operating budgets, as well as capital funds for improvements that are part of an annual operating budget. This clarification would allow noted revenues to remain in calculation to ease the restriction and not further restrict eligibility.</p> <p>5. “Reasonable Efforts” Regarding Employee Retention Require Further Clarification The description of “Retaining Employees” in the draft term sheet requires refinement if the Federal Reserve expects nonprofits to take advantage of this facility. We endorse the analysis of the National Council of Nonprofits on the issue of employee retention, and</p>

Main Street Lending Program
Nonprofit Organizations Comments

Event Title / Description	Ticket Type	Received Date	Last Name	First Name	Email Address	Affiliation	Comment
							<p>recommend the following:</p> <p>Recommendation: "Reasonable efforts" should be interpreted in the totality of the circumstances, taking into consideration not only the general economic environment in the community or communities in which the borrower operates, but also factors such as workforce, fundraising ability, revenue-generating activities, and overall demand for the services and programs the organization provides. One option would be to add the qualifier "mission-based" before "reasonable efforts."</p> <p>Recommendation: The terms "maintain its payroll" and "retain its employees" are vague and need further refinement. We ask the Federal Reserve to make clear that nonprofits participating in the Main Street loan program generally should endeavor to pay staff at the same or increased income levels and should act in good faith to keep staffing levels (measured on the basis of full-time equivalents) at the same or increased levels, both for the duration of the loan. It is also important that the loan documents expressly state that the employee retention provision begins on the date that loan funding is received by the borrower rather than at an earlier date.</p> <p>Recommendation: We ask that the Federal Reserve adopt safe harbors of other loan programs and state clearly that nonprofit borrowers will not be penalized under the employee retention provision for the decision of employees to decline offers of rehire, or for those who are fired for cause, voluntarily resign, or voluntarily request a reduced schedule during the time that the loan is outstanding.</p> <p>6. Limitation of 50-Employee Minimum Should Be Removed The term sheet for the proposed nonprofit loan facility imposes a size minimum that is not imposed in the Main Street New, Priority, or Expanded Loan Facilities for for-profit businesses. There is no explanation why the Federal Reserve is proposing that nonprofits with fewer than 50 employees should not be eligible for Main Street loans for which their small business counterparts of equal size could secure lending support.</p> <p>Recommendation: The 50-employee floor should be removed.</p> <p>JFNA again thanks the Federal Reserve for making its Main Street lending program available to nonprofit. However, we believe that in order for the program to be successful and meet the important goal of providing needed financial assistance to operating "mid-size" nonprofits, the recommendations listed above need to be incorporated into the program. Please feel free to contact Steven Woolf, JFNA senior tax policy counsel, at steven.woolf@jewishfederations.org or at 301-767-7073.</p>

Main Street Lending Program
Nonprofit Organizations Comments

Event Title / Description	Ticket Type	Received Date	Last Name	First Name	Email Address	Affiliation	Comment
Staff Group - Main Street Lending Program - Nonprofit Organization Facilities	PIO (Email from Web)	6/22/2020 12:00:00 AM	Caldwell	Kyle	rbell@michiganfoundations.org	Council of Michigan Foundations	<p>The Council of Michigan Foundations (CMF) respectfully submits the following comments to the Federal Reserve System in response to &quot;a proposal to expand its Main Street Lending Program to provide access to credit for nonprofit organizations,&quot; as published in the Federal Reserve press release on June 15, 2020. As you are exploring ways to expand the program and provide access to credit for nonprofit organizations, we ask that you include the following provisions in your proposal:</p> <p>Apply the same NO minimum number of employees for for-profits to nonprofits Make loans forgivable for nonprofits Eliminate the requirement that no more than 30 percent of an organization's 2019 revenues come from donations</p> <p>CMF members have been working around the clock to support nonprofits serving on the frontlines of the COVID-19 pandemic to ensure the public's safety, and leading recovery efforts. Michigan's charitable sector is an economic engine, working yet starved of resources, as they employ nearly 470,000 people who provide critical services and economic benefit across our state and leverage more than one million volunteers. The pandemic has been highly disruptive to many nonprofits of all sizes deemed as essential businesses- requiring that they continue services while revenues are uncertain. The economic injury is particularly acute for smaller nonprofits often led by and serving communities of color. These communities have been disproportionately impacted by the COVID-19 pandemic. According to the Bureau of Labor Statistics research data on employment and wages for the nonprofit sector, a majority of nonprofit firms have 9 or fewer employees, with over 80 percent of nonprofits having 49 employees or fewer. Nonprofits with fewer than 50 employees should be eligible for Main Street loans just as their small business counterparts of equal size are eligible.</p> <p>As Federal Reserve Chair Powell indicated, &quot;Nonprofit organizations are critical parts of our economy, employing millions of people, providing essential services to communities, and supporting innovation and the development of a highly skilled workforce,&quot; now more than ever they need your support. Loan forgiveness has been central to the sustainability of many of our frontline community-based organizations.</p> <p>Finally, revenue from direct services is not the way that most nonprofits receive funding. The Federal Reserve's proposal to limit loans to nonprofits with less than 30 percent of revenue from donations disqualify many nonprofits who receive donations and funding from the public, corporations and foundations like CMF members. Without appropriate federal assistance, many organizations on which Americans rely on are not likely to survive.</p> <p>In order for charitable nonprofits and the communities they serve to fully benefit from the program, adjustments must be made to ensure nonprofits with fewer than 50 employees are eligible, loan forgiveness provisions are included, and Eliminate the requirement that no more than 30 percent of an organization's 2019 revenues come from donations.</p> <p>Thank you for your consideration and as always, please let us know if you have any questions.</p>
Staff Group - Main Street Lending Program - Nonprofit Organization Facilities	PIO (Email from Web)	6/22/2020 12:00:00 AM	Williamson	Jeff	js@myplacegermantown.org	My Place Germantown	<p>First thank you for being open enough to create a space for us to give insight. With everything that has happened this year so many non profit organizations have not been able to complete any of the fundraising requirements that continue to let us operate. For my organization we need to meet our federal match and because of Covid-19 we have worried about our ability to do just that. But there is still basic maintenance and operations as well as staffing. What you are proposing would impact the midsize to larger non profits who have more employees than we do but I would hope that at some point in the future the smaller companies with less than 50 employees would also be considered. We provide permanent supportive housing with an annual operating budget of \$250,000 and every little bit helps us to keep our doors open.</p>
Staff Group - Main Street Lending Program - Nonprofit Organization Facilities	PIO (Email from Web)	6/22/2020 12:00:00 AM	Staggs	Julie	julie.staggs@beyondtheorytopractice.com	National Society of Collegiate Scholars	<p>My note today is about the loan program for non-profits to help in these unprecedented times. This program carries an employee minimum which is unnecessary, unfair, and irrelevant. I would like to make the point that a 501-c-3 is a 501-c-3. They should not be discriminated against based on employee size. The impact of a non-profit and the ability to pay back a loan is not aligned with the the employee size of the organization. The point of this program seems to be the ability for a PRE-covid successful small to mid-size business/non-profit that has been impacted by the pandemic to have access to a loan to help the company or non-profit navigate and rebound from the negative impact of the virus.</p> <p>There are many small non-profits that have a tremendous impact on many people and will be put out of business because of the virus. Please</p>

Main Street Lending Program
Nonprofit Organizations Comments

Event Title / Description	Ticket Type	Received Date	Last Name	First Name	Email Address	Affiliation	Comment
							eliminate the employee minimum and make the program an option for these successful organizations knowing the loan will allow these smaller organizations a pathway to survival and less disruption for the direct impact they have on impacting the lives of many people.
Staff Group - Main Street Lending Program - Nonprofit Organization Facilities	PIO (Email from Web)	6/22/2020 12:00:00 AM	Boorstin	Leni	lboorstin@laphil.org	Los Angeles Philharmonic Association	<p>The Los Angeles Philharmonic Association (LA Phil) appreciates the opportunity to submit comment to the Federal Reserve about the Nonprofit Organization Loan Facilities. This proposal is aimed more at transactional nonprofits such as hospitals and institutions of higher ed than at nonprofits like the LA Phil that have a larger reliance on donations from the public to support their missions. Indeed, many nonprofits pride themselves on offering their services at no charge or at low cost. Recognizing that their business models are different, even if both types of charities are inherently organized around a public mission, many of the financial requirements included in this proposal simply are not applicable to organizations that rely on donations. With that in mind, the LA Phil respectfully requests the Federal Reserve to address the concerns and proposed changes outlined below.</p> <p>Short list of comments:</p> <p>a. It is not clear that the limitation on contributions is gross or net of fundraising expenses. Limiting contributions to 30% on a gross basis will exclude many worthy non-profits, which tend to have more significant levels of contributed revenue.</p> <p>b. Since the very concept of non-profit means that 501c3 organizations often work on a balanced financial operating basis, the requirement that the qualifying organizations must have an EBIDA of at least 5% is prohibitive. There should be a measure based on the availability of underlying assets or EBIDA to evaluate the financial strength of the applicant non-profit.</p> <p>c. The 90-day liquidity measure, again, will be prohibitive for many worthy qualifying organizations. Per your guidelines draft, the eligible borrower "has a ratio (expressed as a number of days) of (i) liquid assets at the time of loan origination to (ii) average daily expenses over the previous year, equal to or greater than 90 days." Using the previous year's expenses and the current year's liquid assets is setting a measure which uses highly impacted liquidity against a previous year's higher expenses, making for an "apples to oranges" comparison, an unfairly high hurdle rate.</p> <p>More comments:</p> <p>1. Congress Must Act to Ensure Mid-Sized Nonprofits are Eligible for Loan Forgiveness Congress must ensure that mid-sized nonprofits have access to loan forgiveness. While it is a welcome development to see the Federal Reserve making its Main Street lending program available to some nonprofits, this assistance still falls short of what is most needed by nonprofit organizations - a provision that makes these loans forgivable.</p> <p>In this critical time, nonprofits have stepped up to meet the unprecedented level of need in our country due to the COVID-19 pandemic. Even though we face many of the same economic challenges as other industries, nonprofits are not shutting down. Rather, we are straining to meet increasing demands in our communities on the frontlines, caring for the sick, feeding families, and keeping our communities connected. Furthermore, nonprofits will play an integral role as our nation recovers - providing childcare, job training, and other core supports.</p> <p>Nonprofits are the third largest employment sector and many hope to hire more workers as their organizations recover. America cannot afford to leave out such a vital part of the economy.</p> <p>Recommendation: Congress must recognize the vital services nonprofits provide to communities and the economy by including loan forgiveness, in the next round of COVID-19 relief legislation</p> <p>2. The Fed's Proposal to Limit Loans to Mid-Size Nonprofits with Less than 30% of Revenue from Donations Disqualifies Many in Charitable Sector The Federal Reserve's criteria that organizations must have revenues from donations that are less than 30% disqualify many charities, including The LA Phil. Overall, this loan facility seems more applicable to for-profit entities, as well as educational institutions and nonprofit hospitals, but not most charitable organizations.</p> <p>Charitable organizations play a fundamental role in strengthening civil society. Our organizations provide vital services for, and in some circles, the nonprofit arts and culture community is considered a "second responder" - there to assist in community wellbeing, to support mental health, and reestablish community cohesion. [</p>

Main Street Lending Program
Nonprofit Organizations Comments

Event Title / Description	Ticket Type	Received Date	Last Name	First Name	Email Address	Affiliation	Comment
							<p>Recommendation: Eliminate the requirement that no more than 30 percent of an organization's 2019 revenues come from donations, and instead make 501c(3) organizations that are otherwise meet the employee size are eligible.</p> <p>3. The Fed Needs to Make Loan Terms More Favorable to Charitable Organizations The draft Nonprofit Loan Facility imposes certain liquidity, asset, and reserve requirements that are not required in Main Street New Loan Facilities available to for-profit businesses.</p> <p>Recommendation: Recognizing the unique nature of nonprofit operations and their importance in continuing to provide vital services as partners on the front lines of the COVID-19 crisis, we urge the Federal Reserve to eliminate borrower requirements 7 and 8. If this is not possible, we alternatively ask that the requirements be lessened significantly to reflect the economic realities of nonprofit operations, for example by requiring only 30 days cash on hand, and bringing the loan origination ratio of 40-50% (down from 65% as proposed).</p> <p>We are also concerned that certain eligible loan features are too onerous for nonprofit organizations and are less favorable than those offered in other government programs. Specifically, the interest rate of LIBOR plus 300 basis points is significantly higher than that offered for Paycheck Protection Program ("PPP") Loans (1.0%) and that for Economic Injury Disaster Loans (2.75%). In addition, the imposition of loan origination and service fees adds to the cost under the Nonprofit Facility. Finally, the notion that nonprofits would be faced with a 70% balloon payment at the end of the fifth year of the loan would be off-putting for many nonprofits. Nonprofits with existing loans with balloon payments are usually provided an opportunity to renegotiate such loans at prevailing market rates.</p> <p>Recommendation: We urge that the loan terms including interest rate and balloon payments be revisited and recommend the lowest permissible rate such as the 0.5% rate initially proposed for PPP loans. In addition, we urge some flexibility in the balloon payment requirement to afford the opportunity for renegotiation. If the 5-year amortization were extended to 7 years, this could lessen the balloon payment. We request that the borrower have access to engage with derivatives (change to a fixed rate) without the minimum swap requirements.</p> <p>4. The Ratio of Adjusted 2019 Earnings before "EBIDA" Should Be Revised In the "Draft for Public Consultation," for both the Nonprofit Organization New Loan Facility and the Nonprofit Organization Expanded Loan Facility, one of the eligibility criteria for borrowers is that they must have "a ratio of adjusted 2019 earnings before interest, depreciation, and amortization ("EBIDA") to unrestricted 2019 operating revenue, greater than or equal to 5%." (#6) In the context of nonprofit operations, this threshold is too high and would make many, if not most, nonprofits ineligible based on these criteria alone, which seems written more in the context of for-profit businesses as opposed to nonprofit organizations.</p> <p>It may certainly be prudent and necessary to have a positive ratio of adjusted earnings; however, nonprofits generally run on a small margin, both out of necessity and so as to not leave excess surpluses that could be used for fulfilling their missions. Moreover, at times a nonprofit may have a planned and manageable deficit as part of a strategic plan-a negative ratio at one isolated point is not always an indication of instability.</p> <p>Furthermore, the footnotes for criteria #6 clarify that "The Eligible Lender should calculate operating revenue as unrestricted operating revenue, excluding funds committed to be spent on capital." Many nonprofits have "restricted revenue" through grants and contracts built into their operating budgets. Excluding this revenue would compound the problem of meeting the 5% ratio. Although it would be sensible to exclude contributions raised for a "capital campaign," excluding other capital funds included in an annual budget for maintenance and planned upgrades would further decrease the required ratio.</p> <p>Recommendation: The 5% requirement should be reduced to zero, if not eliminated. In addition, a statement of explanation of a deficit should be allowed so that a negative ratio does not mean automatic ineligibility for a nonprofit borrower. Finally, further clarification on the calculation methodology -in the context of nonprofit operating budgets- is needed regarding both restricted funding from grants in annual operating budgets, as well as capital funds for improvements that are part of an annual operating budget. This clarification would allow noted revenues to remain in calculation to ease the restriction and not further restrict eligibility.</p> <p>5. "Reasonable Efforts" Regarding Employee Retention Require Further Clarification The description of "Retaining Employees" in the draft term sheet requires refinement if the Federal Reserve expects nonprofits to take advantage of this facility. We endorse the analysis of the National Council of Nonprofits on the issue of employee retention, and recommend the following:</p>

Main Street Lending Program
Nonprofit Organizations Comments

Event Title / Description	Ticket Type	Received Date	Last Name	First Name	Email Address	Affiliation	Comment
							<p>Recommendation: "Reasonable efforts" should be interpreted in the totality of the circumstances, taking into consideration not only the general economic environment in the community or communities in which the borrower operates, but also factors such as workforce, fundraising ability, revenue-generating activities, and overall demand for the services and programs the organization provides. One option would be to add the qualifier "mission-based" before "reasonable efforts."</p> <p>Recommendation: The terms "maintain its payroll" and "retain its employees" are vague and need further refinement. We ask the Federal Reserve to make clear that nonprofits participating in the Main Street loan program generally should endeavor to pay staff at the same or increased income levels and should act in good faith to keep staffing levels (measured on the basis of full-time equivalents) at the same or increased levels, both for the duration of the loan. It is also important that the loan documents expressly state that the employee retention provision begins on the date that loan funding is received by the borrower rather than at an earlier date.</p> <p>Recommendation: We ask that the Federal Reserve adopt safe harbors of other loan programs and state clearly that nonprofit borrowers will not be penalized under the employee retention provision for the decision of employees to decline offers of rehire, or for those who are fired for cause, voluntarily resign, or voluntarily request a reduced schedule during the time that the loan is outstanding.</p> <p>6. Additional Recommendations and Requests for Clarification [ORGANIZATION] respectfully requests the Federal Reserve clarify the following issues in its final expansion notice.</p> <p>Endowment: What resources should be included in endowment calculations? Does it include restricted endowments? Does it extend to include cash on hand?</p> <p>Collateral: Flexibility on collateral is requested. The loan should be able to be approved with no more than 50% Loan to Value (LTV) if collateral is needed.</p> <p>Other Debts: The proposal requires that borrowers, "refrain from repaying the principal balance of, or paying any interest on, any debt until the Eligible Loan is repaid in full, unless the debt or interest payment is mandatory and due." We request that this exclude lines of credit and other debt that are assumed to provide financial liquidity related to the impact of COVID-19</p> <p>As a nonprofit performing arts organization that provides a number of its services free and at low cost (as well as generating revenues from concert performances and contributions), we find it an issue of fairness: our smaller organizational colleagues have been eligible for PPP! And we have not, nor have we been eligible for other federal relief. We rely on your thoughtful leadership and understanding of the value of the nonprofit sector to help the US rebound and thrive. While we have been unable to hold a Hollywood Bowl season, thereby cutting our earned revenues by at least 50% this year, we have maintained our connection to more than 1000 students and their families through our free learning program: Youth Orchestra LA (YOLA). While we cannot perform live and provide the community healing and solace and joy in shared experiences that we seek, we are offering social media, radio and television performances, many from our archives. We rely on you to help us to continue to serve our community. We are still in mourning that we could not hire our 900 seasonal employees this summer, and do what we do best to contribute to our community's well being.</p> <p>Thank you for your careful consideration of these issues.</p>

Main Street Lending Program
Nonprofit Organizations Comments

Event Title / Description	Ticket Type	Received Date	Last Name	First Name	Email Address	Affiliation	Comment
Staff Group - Main Street Lending Program - Nonprofit Organization Facilities	PIO (Email from Web)	6/22/2020 12:00:00 AM	Mongeon	Marie	mmongeon@chcanys.org	Community Health Care Association of New York State (CHCANYS)	<p>The Community Health Care Association of New York State (CHCANYS) is grateful for the opportunity to provide comments on the expansion of Main Street Loans to nonprofit organizations. CHCANYS represents all of New York's federally qualified health centers (FQHCs), also known as community health centers. FQHCs are community-based, non-profit organizations whose goal is to provide affordable, accessible health care for all individuals, regardless of their ability to pay. As explained below, we appreciate the Federal Reserve's intention to expand Main Street Loans to non-profit organizations; however, after analyzing the draft Term Sheet, we have determined that almost no FQHCs would qualify for these loans under the current eligibility requirements. Therefore, we are requesting that:</p> <ul style="list-style-type: none"> the loan terms be revised to enable the majority of FQHCs to qualify, and FQHCs be permitted to work with Community Development Financial Institutions (CDFIs) to access Main Street loans, as CDFIs understand the unique FQHC model and collectively have provided more than \$2.1 billion in loans to FQHCs, with a default rate of less than 1/10th of 1%. <p>As community-based, non-profit organizations committed to ensuring access to health care, FQHCs have been critical responders to the COVID-19 pandemic. With more than 800 care delivery sites in NYS, NY FQHCs provide care for nearly 2.4 million patients. Our patients have been disproportionately impacted by the pandemic, as 89% of them are low-income, 16% are uninsured, and 73% are people of color, many of whom suffer from multiple chronic health conditions associated with poverty and the effects of racism.</p> <p>Throughout the pandemic, FQHCs have provided a range of critical front-line care and a growing proportion of testing, particularly in the low-income, minority communities they serve. At the same time, FQHCs have experienced a significant decline in revenue, due to the need to curtail many primary and preventive care visits. This combination has placed major financial strain on these non-profit, community-based providers, forcing them to close sites and lay off staff at the time when their services are most needed.</p> <p>In response to National and State stay at home orders in March, NYS FQHCs saw dramatic decreases in their visit volume. Across the State, visit volume decreased by an average of 56% between March 14 and March 28. CHCANYS projected that due to this rapid decrease, the State's health centers were collectively losing \$30M per week in March and the beginning weeks of April. Many health centers saw no other option than to temporarily close sites, both to diminish financial losses and to mitigate community spread of COVID-19, per social distancing requirements. However, patients continue to require primary care services, regardless of social distancing requirements or stay at home orders. As such, CHCs rapidly pivoted to providing remote care, including investing in and standing up programs to deliver services via audio-visual telehealth and the telephone. Additionally, many CHCs have identified the need for additional capital improvements due to COVID-19 to ensure the safety of their patients and staff at their brick and mortar locations. Projects like expanding parking lots, creating separate and distinct screening and testing locations, renovations to HVAC systems, or remodeled waiting rooms are needed for CHCs to mitigate the spread of COVID-19 and prevent a second outbreak. On average, NYS CHCs report the need for about \$575,000 in capital projects as a result of COVID-19.</p> <p>While FQHCs have received some Federal funding to support COVID relief, for many FQHCs this funding is not enough to reestablish their pre-COVID level of operations, let alone prepare for the increased demand that will result as millions of newly-unemployed and uninsured individuals turn to them for care. To date, the Provider Relief Fund has offered most FQHCs only 2% of their net patient revenues; also, FQHCs with over 500 staff - which in total care for about 9 million patients across the nation - are ineligible for Paycheck Protection Loans because of their size.</p> <p>Because of these financial needs, CHCANYS was relieved to learn that the Federal Reserve would soon start offering Main Street Loans to non-profits. However, after reviewing the proposed Terms Sheet and consulting with experts, we have concluded that almost no FQHCs would qualify under the proposed eligibility criteria.</p> <p>This conclusion is based on an analysis conducted by Capital Link, a non-profit organization that receives funding from the Federal Department of Health and Human Services to assist FQHCs with accessing capital. Capital Link determined that under the proposed lending parameters: Prior to the pandemic, only 13% of health centers nationwide would have met the combined criteria. This includes less than one in five of the FQHCs with over 500 staff, who are currently ineligible for the Paycheck Protection Program. Because of the significant cash declines experienced by FQHCs as a result of COVID-19, at present, far fewer than 13% would be able to meet the DCOH and Cash/Debt ratio at loan origination.</p> <p>The most problematic financial parameters for FQHCs are:</p> <ul style="list-style-type: none"> EBIDA to unrestricted 2019 operating revenue greater than or equal to 5% Days cash on hand at loan origination equal to or greater than 90 days Ratio of unrestricted cash and investments to outstanding debt (including Main Street debt and CMS Accelerated and Advance Payments) at

Main Street Lending Program
Nonprofit Organizations Comments

Event Title / Description	Ticket Type	Received Date	Last Name	First Name	Email Address	Affiliation	Comment
							<p>origination is 65% or greater</p> <p>In order to provide a meaningful program for which approximately 60% of FQHCs would qualify, we request that the Federal Reserve adjust the following lending parameters for FQHCs loans as follows: EBIDA to unrestricted 2019 operating revenue greater than or equal to 3% Days cash on hand at loan origination equal to or greater than 30 days Eliminate the unrestricted cash to debt ratio requirement Lower the minimum employee requirement to 20.</p> <p>In addition, we ask that the Federal Reserve clarify the eligibility requirement that reads: "has not received specific support pursuant to the Coronavirus Economic Stabilization Act of 2020 (Subtitle A of Title IV of the CARES Act)." As you know, Section 4003 of Title IV authorizes the Federal government to make loans to States and municipalities for COVID-19 relief. It is possible that a state or municipality could receive a loan under Section 4003, and use part of it to support FQHCs or other safety net providers. To make clear that FQHCs or other providers who receive this type of support from their state are still eligible for Main Street Loans, we recommend that the term "specific support" be revised to read "direct support."</p> <p>Finally, it is important to note that Community Development Financial Institutions (CDFIs) have historically played a major role in providing financing to FQHCs for decades. As such, they understand the FQHC model and are best positioned to underwrite loans to health centers. A coalition of 25 CDFIs who are members of the Lenders Coalition for Community Health Centers have collectively provided more than \$2.1 billion in loans to FQHCs, with a default rate of less than 1/10th of 1%.</p> <p>Unfortunately, very few CDFIs would qualify as eligible lenders under the program as it is currently construed. To enable FQHCs to work directly with lenders who best understand their model and needs, we recommend that the Federal Reserve structure the nonprofit portion of the Main Street Loan Program to: Allow CDFIs to participate as lenders in the program; and Allow CDFIs to borrow from the Federal Reserve under the same terms as banks, which would enable CDFIs to offer interest rates to FQHCs at LIBOR +3%</p> <p>We are providing these comments on short notice to accommodate the Federal Reserve's request. We would be happy to provide more detailed comments and/or provide additional information to assist the Federal Reserve in developing a program that will be responsive to the current needs of Federally Qualified Health Centers.</p>
Staff Group - Main Street Lending Program - Nonprofit Organization Facilities	PIO (Email from Web)	6/22/2020 12:00:00 AM	Fields	Paula	pfields@pryor.com	PLI	<p>Our company is a non-profit business training organization and our primary source of revenue has been live, in-person public seminars. Our seminars focus on professional training and skills development to assist individuals and corporate customers to advance in personal and/or professional areas. Historically, we have sacrificed margins by keeping our prices low and promoting to as many potential customers as possible via direct mail, which is our main method of obtaining registrations to our seminars. We could increase our margin by raising prices and reducing our direct mail promotions, however, it would result in significantly fewer individuals benefiting from our training. Our beneficiaries have always understood and supported our purpose.</p> <p>Therefore, we feel the 5% EBIDA borrower eligibility requirement is unfair to non-profits. If we were classified as a for-profit organization, we would meet the eligibility requirements to obtain a loan under the program. As long as we can demonstrate the ability to operate without a loss, we believe non-profit organizations should receive the same consideration as a for-profit organization. EBIDA margins are rarely the focal point of most non-profit organizations.</p>

Main Street Lending Program
Nonprofit Organizations Comments

Event Title / Description	Ticket Type	Received Date	Last Name	First Name	Email Address	Affiliation	Comment
Staff Group - Main Street Lending Program - Nonprofit Organization Facilities	PIO (Email from Web)	6/22/2020 12:00:00 AM	Iemma	Isabella	iiemma@thomchild.org	Thom Child and Family Services	<p>The non-profit agency I help lead has a 100 year history of helping families in Massachusetts. Last year, we delivered home visiting services to over 15,000 infants and toddlers. Our skilled staff of 864 professionals made this possible. And yet, because there are more than 500 of us, we were left without support for sick leave, paycheck protection, and forgivable loans. We are held to different criteria for the employee retention credit. We are left out of the economic stimulus that is essential for our organization's survival.</p> <p>The lack of cash flow to our agency and others like ours has led to job loss and has delayed job creation. The longer term impact is that communities, families, and our service sector will suffer for decades. Across the country, programs like ours are closing, furloughing staff, and stopping services to children who need our help.</p> <p>With access to favorable lending terms and with the same stimulus funding that was offered to smaller non-profits, we could start calling back to work our furloughed staff of nurses, therapists, speech-language pathologists, educators, and other skilled specialists and administrators. We could continue to support children and families. We could avoid an erosion of our social service sector. We need immediate action. Non-profit agencies of our size must be included in the Main Street Lending Program and any subsequent mid-size loan programs.</p>
Staff Group - Main Street Lending Program - Nonprofit Organization Facilities	PIO (Email from Web)	6/22/2020 12:00:00 AM	Johnson	Treva	Tjohnson@ffta.org	Family Focused Treatment Association	<p>Good afternoon,</p> <p>Please see below a list of comments and suggestions collected from FFTA member agencies:</p> <p>Loan Forgiveness: for this to be truly impactful to Non-profits, the program should have loan forgiveness opportunities, similar to what the PPP allows.</p> <p>Cash on hand or Liquidity: While 90 days of Cash is a recommended industry standard, many non-profits have a hard time meeting this in more "normal" times, and most certainly will have a hard time meeting it now, as many have tapped into reserves to offset other financial challenges (such as inability to have fundraisers) during pandemic. 30-60 days is more realistic.</p> <p>Balloon Payment: Concern here is that 5 years down the road as loans balloon, agencies may still struggle with having excess cash for repayment. Consideration should be given to allowing renegotiating terms into the loan and/or extending payback period.</p> <p>EBIDA: Most all said this would be a deal breaker---they wouldn't be able to meet this, at this time.</p> <p>?Some consensus built around average of 0% over 3 years..noting that a single-year target would exclude many and that good years/bad years happen, but they "hopefully" balance out over a group of years to still essentially breaking even across those years.</p> <p>30% limit on revenue from donations: Suggest removing this requirement, as it would eliminate a number of agencies from being eligible.</p> <p>Please feel free to contact me with any questions or follow up.</p> <p>Regards Treva R. Johnson FFTA Public Policy Director</p>

Main Street Lending Program
Nonprofit Organizations Comments

Event Title / Description	Ticket Type	Received Date	Last Name	First Name	Email Address	Affiliation	Comment
Staff Group - Main Street Lending Program - Nonprofit Organization Facilities	PIO (Email from Web)	6/22/2020 12:00:00 AM	DeHart	Henry	hdehart@acacamps.org	American Camp Association	<p>As a representative of the entire field of camp, American Camp Association (ACA) is appreciative of the current proposal to extend the Main Street Lending program to non-profits. While we have a number of suggestions that will maximize the intended benefit of this expansion, we are strongly in support of it.</p> <p>There are more than 15,000 camps in the United States who serve more than 26 million children each year. Research demonstrates that a camp experience is a critical educational and developmental experience for children, who gain important life skills, avoid summer learning loss, take a break from technology, and try new activities in an outdoor environment. In addition, camps are providing essential care and supervision for working parents during the summer months.</p> <p>The economic damage to the field of camp, and the resulting impact on the broader economy, as a result of the coronavirus has quickly reached staggering levels. ACA's emerging data indicates that over 70% of overnight camps are not operating core programs at all this summer. While closer to 70% to 80% of day camps are operating, they will do so within a compressed calendar, significantly reduced capacity and increased expenses related to safety protocols and requirements. Projections of the economic impact on the entire field of camp based on this information are as follows: Over \$16 billion in lost revenue 19.5 million youth will not be served Over 900,000 lost jobs Over \$4.4 billion in lost wages Over \$26 billion in lost economic impact to the broader economy</p> <p>Further, the camp industry is in a uniquely vulnerable position as the majority of camps receive 90% of their income from 7 to 10 weeks in the summer. If that revenue is lost, most camps will have to span 22 months without substantial revenue. Without industry-specific mechanisms for financial relief beyond the PPP program, many camps will permanently go out of businesses. This uniquely American industry is under existential threat.</p> <p>ACA supports the expansion of the Main Street Lending program as a potential vehicle to provide critical relief to the camps most impacted by this crisis. In order for the camp industry to maximize the benefits of this change, ACA recommends the following changes in the proposed program:</p> <p>Most non-profit camps are small businesses. As such, many have fewer than 50 full time employees. In order for the majority of camps to have access to this program, one of the following adjustments should be incorporated: o Remove the minimum requirement for employees, as there is no strong logic for disallowing businesses with 1 to 49 employees o Allow for seasonal employees to be included in the total employee calculation</p> <p>Loan amounts are calculated on an average of quarterly earnings in 2019. As seasonal businesses, averaging quarterly revenue will significantly decrease the effective loan amounts available to camps. To maximize the loan amount available, providing a mechanism to calculate the appropriate loan amount for seasonal businesses will be critical (which could include allowing an average of the two highest revenue quarters or selecting the highest revenue quarter from 2019).</p> <p>The requirement that no more than 30% of revenue in 2019 can be through philanthropic donations will eliminate a section of camps who provide essential services to the most vulnerable participants in the country. Many of these specialized camps rely almost entirely on donations to support their operations. Removing this requirement for non-profits with annual operating revenue of under \$3 million would allow them to continue to provide experiences for these under-served communities, while limiting the potential abuse of this provision.</p> <p>Thank you for the work you are doing to support the vitally important non-profit sector. These comments are intended to maximize the essential relief needed across the field of camp because of the devastating impact the coronavirus has had on their most important summer season.</p>

Main Street Lending Program
Nonprofit Organizations Comments

Event Title / Description	Ticket Type	Received Date	Last Name	First Name	Email Address	Affiliation	Comment
Staff Group - Main Street Lending Program - Nonprofit Organization Facilities	PIO (Email from Web)	6/22/2020 12:00:00 AM	Peck	Eben	epeck@asta.org	American Society of Travel Advisors	<p>On behalf of the American Society of Travel Advisors (ASTA), a 501(c)6 organization, thank you for the opportunity to comment on the Federal Reserve's proposal regarding Nonprofit Organization Facilities within the broader Main Street Lending Program.</p> <p>Rebranded in 2018 as the American Society of Travel Advisors, ASTA is the leading global advocate for travel advisors, the travel industry and the traveling public. Our 14,000-plus member companies represent 80 percent of all travel sold in the United States through the travel agency distribution channel. Together with hundreds of internationally-based members, ASTA's history of industry advocacy traces back to its founding in 1931 when it launched with the mission to facilitate the business of selling travel through effective representation, shared knowledge and the enhancement of professionalism.</p> <p>We appreciate that the Federal Reserve is considering expanding the Main Street Lending Program to include nonprofit trade associations, many of whose revenues have been devastated by the coronavirus (COVID-19) pandemic along with those of their member companies. This expansion is especially important given trade associations' exclusion (to date) from the centerpiece of the Coronavirus Aid, Relief, and Economic Security (CARES) Act (P.L. 116-136), the Paycheck Protection Program (PPP).</p> <p>We offer the following comments on the Federal Reserve's proposal on nonprofits:</p> <ul style="list-style-type: none"> -Lower the employee threshold for eligibility from 50 to 25 employees, or lower. We know of no basis for establishing this cap at 50 employees, and at just above 25 can attest that the pandemic has devastated trade associations of all sizes. -Increase the loan terms from 5 to 10 years, with principal payments rising over years 3 to 10 incrementally, beginning with 5 percent principal payment. We believe that this change will reflect the anticipated long recovery period, especially in truly hard-hit industries like travel. -The provision regarding nonprofits not being able to receive both a PPP loan and a MSLP loan should include some flexibility given the push to include 501(c)6s in the PPP, which we support. If they PPP is broadened to include trade associations, those associations should have the option to pay back their MSLP loan and then apply for the PPP. <p>Thank you for considering our views on this critical subject. I am happy to discuss our comments at any time.</p> <p>Eben Peck Executive Vice President, Advocacy American Society of Travel Advisors (ASTA) 675 N Washington St, Ste 490, Alexandria, VA 22314 (W) 703.739.6842 (C) 202.573.2914 epeck@asta.org asta.org</p>
Staff Group - Main Street Lending Program - Nonprofit Organization Facilities	PIO (Email from Web)	6/22/2020 12:00:00 AM	Barrientos	Kimberly	kbarrientos@gccb.org	Boys & Girls Club Of The Coastal Bend	<p>COVID-19 has caused a severe financial hardship to our Clubs and 2020 is proving to be challenging. As a non-profit, many time when funding is allocated for relief, we are not included. Our organization has gone from operating in the black to deciding who might have to be laid off in a matter of a few months. This pandemic has impacted our financials at every turn whether it is donations from corporations and individuals, foundation grants, special event, or program revenue.</p>

Main Street Lending Program
Nonprofit Organizations Comments

Event Title / Description	Ticket Type	Received Date	Last Name	First Name	Email Address	Affiliation	Comment
Staff Group - Main Street Lending Program - Nonprofit Organization Facilities	PIO (Email from Web)	6/22/2020 12:00:00 AM	Ritter	Leslie	Leslie.Ritter@mss.org	National Multiple Sclerosis Society	<p>The National Multiple Sclerosis Society (Society) appreciates the opportunity to provide feedback on the proposed Main Street Lending Program Nonprofit Organization New Loan Facility and Nonprofit Organization Expanded Loan Facility term sheets. We urge this proposal to be re-examined, keeping in mind that charitable nonprofits have a different business model than transactional nonprofits, such as hospitals and institutions of higher education.</p> <p>Charitable nonprofits like the Society rely largely on donations from the public to support their missions. Given this, many of the financial requirements included in the current proposal simply are not applicable to organizations that rely on charitable donations. As written, our organization and many others would not be able to leverage the Main Street lending program for nonprofits. With this in mind, the Society respectfully requests the Federal Reserve re-examine the proposal and address the concerns and proposed changes outlined below.</p> <p>1. Congress Must Act to Ensure Mid-Sized Nonprofits are Eligible for Loan Forgiveness Congress must ensure that mid-sized nonprofits have access to loan forgiveness. While we appreciate the Federal Reserve making its Main Street lending program available to some nonprofits, this assistance does not address what is most needed by nonprofit organizations - a provision that makes these loans forgivable.</p> <p>In this critical time, nonprofits have stepped up to meet the unprecedented level of need in our country due to the COVID-19 pandemic. Even though they face many of the same economic challenges as other industries, nonprofits are not shutting down. Rather, they are straining to meet increasing demands in our communities on the frontlines, caring for the sick, feeding families, and keeping our communities connected. Further, they will play an integral role as our nation recovers - providing childcare and job training, funding research and other core supports.</p> <p>Charitable nonprofits of all sizes and focus areas are struggling to maintain mission-critical operations despite enormous economic challenges. Data released by Independent Sector (https://independentsector.org/resource/covid19-survey/) shows that nonprofits with between 500 to 5,000 employees, who have been key to scaling relief efforts across the nation, have also been severely impacted by this health and economic crisis. When asked "What types of additional assistance would be most helpful to your organization?" organizations overwhelmingly (92% of responses) suggested government support in the form of forgivable loans.</p> <p>Nonprofit organizations need support to continue to meet the needs of their communities. Many charitable organizations do not have steady streams of commercial income and have little capacity for loan and interest repayment. Nonprofits are the third largest employment sector and the fourth largest contributor for U.S. medical and health research. America cannot afford to leave out such a vital part of the economy.</p> <p>Recommendation: Congress must recognize the vital services nonprofits provide to communities and the economy by including loan forgiveness in the next round of COVID-19 relief legislation.</p> <p>2. The Federal Reserve Proposal to Limit Loans to Mid-Size Nonprofits with Less than 30% of Revenue from Donations Disqualifies Many in Charitable Sector The Federal Reserve's criteria that organizations must have revenues from donations that are less than 30% disqualify many charities, including the National MS Society. Overall, this loan facility seems more applicable to for-profit entities, as well as educational institutions and nonprofit hospitals, but not most charitable organizations. The National MS Society received 97% from donations in 2019.</p> <p>The Society fundraises and receives donations from the public, foundations, corporations and others to fund innovative research to stop disease progression and restore function and provide services to help ensure that people with MS have what they need to live their best lives. We do not receive any revenue through direct services. Charitable organizations are a fundamental partner to the federal government in strengthening civil society.</p> <p>Recommendation: Eliminate the requirement that no more than 30 percent of an organization's 2019 revenues come from donations, and instead make 501c(3) organizations that otherwise meet the employee size, eligible for the program.</p> <p>3. The Fed Needs to Make Loan Terms More Favorable to Charitable Organizations This draft proposal imposes certain liquidity, asset, and reserve requirements that are not required in Main Street New Loan Facilities available to for-profit businesses.</p> <p>Nonprofits typically provide services with low-profit margins. Social service nonprofits specifically report an average aggregate margin of 1.5%. According to a recent report by Seachange Capital Partners (https://www.issuelab.org/resources/36677/36677.pdf), the median social</p>

Main Street Lending Program
Nonprofit Organizations Comments

Event Title / Description	Ticket Type	Received Date	Last Name	First Name	Email Address	Affiliation	Comment
							<p>services nonprofit has a margin of 1.0%, receives 3.6% of its revenue from philanthropy (including investment income), has total financial assets (including endowments and other assets that are subject to legal restrictions) equal to 1.9 months of expenses, and operating reserves of less than one month of expenses. Less than 20% of large nonprofits have 6 months or more of operating reserves, a widely accepted standard for "financial strength" for nonprofits. Social services organizations are the most fragile, with fewer than 10% reaching this standard.</p> <p>The statistics above should not be viewed as an indictment of the efficiencies or management policies of nonprofits. It is important to note that nonprofits have a different finance structure than for-profit entities. Most social service nonprofit funding comes from government grants contracts, recognizing the key role such organizations play in serving the most vulnerable. Numerous studies confirm that government funding seldom covers the full cost of providing contracted work, which inhibits nonprofits from accumulating reserves through surpluses. In many instances, government grant/contract work creates cash-flow challenges since it is paid after the work has been completed and can be subject to significant delays in payment.</p> <p>We are also concerned that certain eligible loan features are too onerous for nonprofit organizations and are less favorable than those offered in other government programs. Specifically, the interest rate of LIBOR plus 300 basis points is significantly higher than that offered for Paycheck Protection Program ("PPP") Loans (1.0%) and that for Economic Injury Disaster Loans (2.75%). In addition, the imposition of loan origination and service fees adds to the cost under the Nonprofit Facility. Finally, the notion that nonprofits would be faced with a 70% balloon payment at the end of the fifth year of the loan would be off-putting for many nonprofits. Nonprofits with existing loans with balloon payments are usually provided an opportunity to renegotiate such loans at prevailing market rates.</p> <p>Recommendation: Recognizing the unique nature of nonprofit operations and their importance in continuing to provide vital services as partners on the front lines of the COVID-19 crisis, we urge the Federal Reserve to eliminate borrower requirements 7 and 8. If this is not possible, we alternatively ask that the requirements be lessened significantly to reflect the economic realities of nonprofit operations, for example by requiring only 30 days cash on hand, and bringing the loan origination ratio of 40-50% (down from 65% as proposed).</p> <p>We also recommend that the loan terms including interest rate and balloon payments be revisited and recommend the lowest permissible rate such as the 0.5% rate initially proposed for PPP loans. In addition, we urge some flexibility in the balloon payment requirement to afford the opportunity for renegotiation. If the 5-year amortization were extended to 7 years, this could lessen the balloon payment. We request that the borrower have access to engage with derivatives (change to a fixed rate) without the minimum swap requirements.</p> <p>4. The Ratio of Adjusted 2019 Earnings before "EBIDA" Should Be Revised In the draft proposal, borrowers must have "a ratio of adjusted 2019 earnings before interest, depreciation, and amortization ("EBIDA") to unrestricted 2019 operating revenue, greater than or equal to 5%." (#6) In the context of nonprofit operations, this threshold is too high and would render many, if not most, nonprofits ineligible for loans. Again, we believe this shows a fundamental misunderstanding of the business models of charitable nonprofits.</p> <p>It may certainly be prudent and necessary to have a positive ratio of adjusted earnings; however, as stated previously, nonprofits generally run on a small margin, both out of necessity and also so as to not leave excess surpluses that could be used for fulfilling their missions. Moreover, a nonprofit may have a planned and manageable deficit as part of a strategic plan-a negative ratio at one isolated point is not always an indication of instability. Additionally, for nonprofits that fund multi-year research projects, those grant commitments are viewed as a current liability on the organizational balance sheet and should be not viewed as detrimental to the overall financial health of the organization since these obligations are mission-related activities.</p> <p>Further, the footnotes for criteria #6 clarify that "The Eligible Lender should calculate operating revenue as unrestricted operating revenue, excluding funds committed to be spent on capital." Many nonprofits have "restricted revenue" through grants and contracts built into their operating budgets. Excluding this revenue would compound the problem of meeting the 5% ratio. Although it would be sensible to exclude contributions raised for a "capital campaign," excluding other capital funds included in an annual budget for maintenance and planned upgrades would further decrease the required ratio.</p> <p>Recommendation: The 5% requirement should be reduced to zero, if not eliminated. In addition, a statement of explanation of a deficit should be allowed so that a negative ratio does not mean automatic ineligibility for a nonprofit borrower. Further clarification is also recommended on the calculation methodology within the context of nonprofit operating budgets, in regard to both restricted funding from grants in annual</p>

Main Street Lending Program
Nonprofit Organizations Comments

Event Title / Description	Ticket Type	Received Date	Last Name	First Name	Email Address	Affiliation	Comment
							<p>operating budgets, as well as capital funds for improvements that are part of an annual operating budget. This clarification would allow noted revenues to remain in calculation to ease the restriction and not further restrict eligibility.</p> <p>5. "Reasonable Efforts" Regarding Employee Retention Require Further Clarification The description of "Retaining Employees" in the draft term sheet requires refinement if the Federal Reserve expects nonprofits to take advantage of this facility. We endorse the analysis of the National Council of Nonprofits on the issue of employee retention (https://www.councilofnonprofits.org/thought-leadership/nonprofits-remain-committed-restoring-maintaining-and-expanding-employment-the), and recommend the following:</p> <p>Recommendations: "Reasonable efforts" should be interpreted in the totality of the circumstances, taking into consideration not only the general economic environment in the community or communities in which the borrower operates, but also factors such as workforce, fundraising ability, revenue-generating activities, and overall demand for the services and programs the organization provides. One option would be to add the qualifier "mission-based" before "reasonable efforts";</p> <p>The terms "maintain its payroll" and "retain its employees" are vague and need further refinement. We ask the Federal Reserve to make clear that nonprofits participating in the Main Street loan program generally should endeavor to pay staff at the same or increased income levels and should act in good faith to keep staffing levels (measured on the basis of full-time equivalents) at the same or increased levels, both for the duration of the loan. It is also important that the loan documents expressly state that the employee retention provision begins on the date that loan funding is received by the borrower rather than at an earlier date.</p> <p>We ask that the Federal Reserve adopt safe harbors of other loan programs and state clearly that nonprofit borrowers will not be penalized under the employee retention provision for the decision of employees to decline offers of rehire, or for those who are fired for cause, voluntarily resign, or voluntarily request a reduced schedule during the time that the loan is outstanding.</p> <p>6. Additional Recommendations and Requests for Clarification The Society respectfully requests the Federal Reserve clarify the following issues in its final expansion notice. Endowment: What resources should be included in endowment calculations? Does it include restricted endowments? Does it extend to include cash on hand? Collateral: Flexibility on collateral is requested. The loan should be able to be approved with no more than 50% Loan to Value (LTV) if collateral is needed. Other Debts: The proposal requires that borrowers, "refrain from repaying the principal balance of, or paying any interest on, any debt until the Eligible Loan is repaid in full, unless the debt or interest payment is mandatory and due." We request that this exclude lines of credit and other debt that are assumed to provide financial liquidity related to the impact of COVID-19.</p> <p>The Society appreciates the opportunity to provide feedback on the proposed Main Street Lending Program Nonprofit Organization New Loan Facility and Nonprofit Organization Expanded Loan Facility term sheets. Nonprofits are fundamental partners to the federal government and other entities to ensure that the needs America's most vulnerable populations are met. Please do not hesitate to contact us if our organization can provide context or details to further clarify our recommendations.</p>
Staff Group - Main Street Lending Program - Nonprofit Organization Facilities	PIO (Email from Web)	6/22/2020 12:00:00 AM	Stuhldreher	A F	Personal Email Address		<p>I am writing regarding the current funding situation for ICF individuals in the State of Ohio and mainly on behalf of my brother who has been in a facility his whole life. Budgets are tight, but he and the other members of the ICF community can not survive or have any quality of life in a halfway house type setting. He requires constant care, supervision and monitoring of his prescription meds. That funding must remain in place for these individuals to survive. Some politicians feel the current funding levels can not be sustained for this class of american citizens. We as a country must provide for our most vulnerable citizens through no fault of their own have these disabilities to live with. We need the Fed to step up and fill any economic funding gap to ensure these citizens are adequately cared for. On behalf of my brother and his peers, I implore the Fed to do the due diligence and maintain adequate funding for all ICF citizens in the State of Ohio. Thank you for your consideration and action on behalf off all these citizens.</p>

Main Street Lending Program
Nonprofit Organizations Comments

Event Title / Description	Ticket Type	Received Date	Last Name	First Name	Email Address	Affiliation	Comment
Staff Group - Main Street Lending Program - Nonprofit Organization Facilities	PIO (Email from Web)	6/22/2020 12:00:00 AM	Micali	Mark	mmicali@tnpa.org	The Nonprofit Alliance	<p>Congress Must Act to Ensure Mid-Sized Nonprofits are Eligible for Loan Forgiveness</p> <p>We fully recognize that the Federal Reserve is not empowered to grant loan forgiveness. Nonetheless, we take this opportunity to call on Congress to pass legislation ensuring that mid-sized nonprofits have access to loan forgiveness through the Fed’s proposed new loan facility.</p> <p>In this critical time, nonprofits have stepped up to meet the unprecedented level of need in our country due to the COVID-19 pandemic. They face many of the same economic challenges as other industries and are straining to meet increasing demands in our communities on the frontlines, caring for the sick, feeding families, and keeping our communities connected. Furthermore, they will play an integral role as our nation recovers - providing child care, job training, and other core needs.</p> <p>Charitable nonprofits of all sizes and focus areas are struggling to maintain mission-critical operations despite enormous economic challenges. Data released by Independent Sector shows that nonprofits with between 500 to 5,000 employees, key to scaling relief efforts across the nation, have been severely impacted by this health and economic crisis. When asked “What types of additional assistance would be most helpful to your organization?” organizations overwhelmingly (92% of responses) suggested government support in the form of forgivable loans.</p> <p>Nonprofit organizations need funding so they can continue to meet the needs of their communities. Many charitable organizations do not have steady streams of commercial income and have little capacity for loan and interest repayment. Furthermore, nonprofits are the third largest employment sector and many hope to hire more workers as their organizations recover. America cannot afford to leave out such a vital part of the economy.</p> <p>The Fed’s Proposal to Limit Loans to Mid-Size Nonprofits with Less than 30% of Revenue from Donations Disqualifies Many in the Charitable Sector</p> <p>The 30% limit seems more aimed at hospitals and institutions of higher learning, rather than the overall nonprofit sector. Accordingly, this limitation will disqualify many nonprofits which badly need access to this loan facility.</p> <p>Therefore, we recommend elimination of this requirement that no more than 30% of an organization’s 2019 revenues come from donations, and instead make 501(c)3 organizations that otherwise meet the employee size requirement be eligible for the Fed’s loan facility.</p> <p>The Fed Needs to Make Loan Terms More Favorable to Charitable Organizations</p> <p>The draft Nonprofit Loan Facility imposes liquidity, asset, and reserve requirements that are not required in the Main Street New Loan Facilities available to for-profit businesses.</p> <p>According to a recent report by Seachange Capital Partners, less than 20% of large nonprofits have 6 months or more of operating reserves, a widely accepted standard for “financial strength” for nonprofits. Social services organizations are the most fragile, with fewer than 10% reaching this standard.</p> <p>Recognizing the unique nature of nonprofit operations and their importance in continuing to provide vital services as partners on the front lines of the COVID-19 crisis, we urge the Federal Reserve to modify its requirements to reflect the economic realities of nonprofit operations. In particular, reducing the liquidity requirement to 30 days cash on hand would be highly beneficial.</p> <p>We are also concerned that certain eligible loan features are too onerous for nonprofit organizations and are less favorable than those offered in other government programs. Specifically, the interest rate of LIBOR plus 300 basis points is significantly higher than that offered for Paycheck Protection Program (“PPP”) Loans (1.0%).</p> <p>The Ratio of Adjusted 2019 Earnings before EBIDA Should Be Revised</p> <p>In the “Draft for Public Consultation,” for both the Nonprofit Organization New Loan Facility and the Nonprofit Organization</p>

Main Street Lending Program
Nonprofit Organizations Comments

Event Title / Description	Ticket Type	Received Date	Last Name	First Name	Email Address	Affiliation	Comment
							<p>Expanded Loan Facility, one of the eligibility criteria for borrowers is that they must have &quot;a ratio of adjusted 2019 earnings before interest, depreciation, and amortization (&quot;EBIDA&quot;) to unrestricted 2019 operating revenue, greater than or equal to 5%.&quot; In the context of nonprofit operations, this threshold is too high and would make many, if not most, nonprofits ineligible based on this criterion alone, which seems written more in the context of for-profit businesses as opposed to nonprofit organizations.</p> <p>It may certainly be prudent and necessary to have a positive ratio of adjusted earnings; however, nonprofits generally run on a small margin, both out of necessity and also so as to not leave excess surpluses that could be used for fulfilling their missions. Moreover, at times a nonprofit may have a planned and manageable deficit as part of a strategic plan-a negative ratio at one isolated point is not always an indication of instability.</p> <p>Thus, we believe the 5% requirement should be eliminated. In addition, a statement of explanation of a deficit should be allowed, so that a negative ratio does not mean automatic ineligibility for a nonprofit borrower. Finally, further clarification on the calculation methodology -in the context of nonprofit operating budgets- is needed in regard to both restricted funding from grants in annual operating budgets, as well as capital funds for improvements that are part of an annual operating budget. This clarification would allow noted revenues to remain in calculation to ease the restriction and not further restrict eligibility.</p> <p>&quot;Reasonable Efforts&quot; Regarding Employee Retention Require Further Clarification</p> <p>The description of &quot;Retaining Employees&quot; in the draft term sheet requires refinement if the Federal Reserve expects nonprofits to take advantage of this facility. We endorse the analysis of the National Council of Nonprofits on the issue of employee retention, and recommend the following:</p> <p>--&quot;Reasonable Efforts&quot; should be interpreted in the totality of the circumstances, taking into consideration not only the general economic environment in the community or communities in which the borrower operates, but also factors such as workforce, fundraising ability, revenue-generating activities, and overall demand for the services and programs the organization provides. One option would be to add the qualifier &quot;mission-based&quot; before &quot;reasonable efforts.&quot;</p> <p>--The terms &quot;maintain its payroll&quot; and &quot;retain its employees&quot; are vague and need further refinement. We ask the Federal Reserve to make clear that nonprofits participating in the Main Street loan program generally should endeavor to pay staff at the same or increased income levels and should act in good faith to keep staffing levels (measured on the basis of full-time equivalents) at the same or increased levels, both for the duration of the loan. It is also important that the loan documents expressly state that the employee retention provision begins on the date that loan funding is received by the borrower rather than at an earlier date.</p> <p>---We ask that the Federal Reserve state clearly that nonprofit borrowers will not be penalized under the employee retention provision for the decision of employees to decline offers of rehire, or for those who are fired for cause, voluntarily resign, or voluntarily request a reduced schedule during the time that the loan is outstanding.</p>

Main Street Lending Program
Nonprofit Organizations Comments

Event Title / Description	Ticket Type	Received Date	Last Name	First Name	Email Address	Affiliation	Comment
Staff Group - Main Street Lending Program - Nonprofit Organization Facilities	PIO (Email from Web)	6/22/2020 12:00:00 AM	Marty	Paulette	Personal Email Address	Ensemble Stage	<p>I am a donor and supporter of Ensemble Stage, a nonprofit arts organization in Banner Elk, NC. I appreciate the opportunity to submit comment to the Federal Reserve about the Nonprofit Organization Loan Facilities. This proposal is aimed more at transactional nonprofits such as hospitals and institutions of higher ed than at nonprofits like Ensemble Stage that have a larger reliance on donations from the public to support their missions. Indeed, many nonprofits pride themselves on offering their services at no charge. Recognizing that their business models are different, even if both types of charities are inherently organized around a public mission, many of the financial requirements included in this proposal simply are not applicable to organizations that rely on donations. With that in mind, I respectfully request the Federal Reserve to address the concerns and proposed changes outlined below.</p> <p>1. Congress Must Act to Ensure Mid-Sized Nonprofits are Eligible for Loan Forgiveness</p> <p>Recommendation: Congress must recognize the vital services nonprofits provide to communities and the economy by including loan forgiveness, in the next round of COVID-19 relief legislation</p> <p>2. The Fed’s Proposal to Limit Loans to Mid-Size Nonprofits with Less than 30% of Revenue from Donations Disqualifies Many in Charitable Sector</p> <p>Recommendation: Eliminate the requirement that no more than 30 percent of an organization’s 2019 revenues come from donations, and instead make 501(c)(3) organizations that are otherwise meet the employee size are eligible.</p> <p>3. The Fed Needs to Make Loan Terms More Favorable to Charitable Organizations</p> <p>Recommendation: Recognizing the unique nature of nonprofit operations and their importance in continuing to provide vital services as partners on the front lines of the COVID-19 crisis, we urge the Federal Reserve to eliminate borrower requirements 7 and 8. If this is not possible, we alternatively ask that the requirements be lessened significantly to reflect the economic realities of nonprofit operations, for example by requiring only 30 days cash on hand, and bringing the loan origination ratio of 40-50% (down from 65% as proposed).</p> <p>We are also concerned that certain eligible loan features are too onerous for nonprofit organizations and are less favorable than those offered in other government programs. Specifically, the interest rate of LIBOR plus 300 basis points is significantly higher than that offered for Paycheck Protection Program (‘PPP’) Loans (1.0%) and that for Economic Injury Disaster Loans (2.75%). In addition, the imposition of loan origination and service fees adds to the cost under the Nonprofit Facility. Finally, the notion that nonprofits would be faced with a 70% balloon payment at the end of the fifth year of the loan would be off-putting for many nonprofits. Nonprofits with existing loans with balloon payments are usually provided an opportunity to renegotiate such loans at prevailing market rates.</p> <p>Recommendation: We urge that the loan terms including interest rate and balloon payments be revisited and recommend the lowest permissible rate such as the 0.5% rate initially proposed for PPP loans. In addition, we urge some flexibility in the balloon payment requirement to afford the opportunity for renegotiation. If the 5-year amortization were extended to 7 years, this could lessen the balloon payment. We request that the borrower have access to engage with derivatives (change to a fixed rate) without the minimum swap requirements.</p> <p>4. The Ratio of Adjusted 2019 Earnings before ‘EBIDA’ Should Be Revised</p> <p>Recommendation: The 5% requirement should be reduced to zero, if not eliminated. In addition, a statement of explanation of a deficit should be allowed so that a negative ratio does not mean automatic ineligibility for a nonprofit borrower. Finally, further clarification on the calculation methodology -in the context of nonprofit operating budgets- is needed in regard to both restricted funding from grants in annual operating budgets, as well as capital funds for improvements that are part of an annual operating budget. This clarification would allow noted revenues to remain in calculation to ease the restriction and not further restrict eligibility.</p> <p>5. ‘Reasonable Efforts’ Regarding Employee Retention Require Further Clarification</p> <p>Recommendation: ‘Reasonable efforts’ should be interpreted in the totality of the circumstances, taking into consideration not only the general economic environment in the community or communities in with the borrower operates, but also factors such as workforce, fundraising ability, revenue-generating activities, and overall demand for the services and programs the organization provides. One option would be to add the qualifier ‘mission-based’ before ‘reasonable efforts.’</p>

Main Street Lending Program
Nonprofit Organizations Comments

Event Title / Description	Ticket Type	Received Date	Last Name	First Name	Email Address	Affiliation	Comment
							<p>Recommendation: The terms "maintain its payroll" and "retain its employees" are vague and need further refinement. We ask the Federal Reserve to make clear that nonprofits participating in the Main Street loan program generally should endeavor to pay staff at the same or increased income levels and should act in good faith to keep staffing levels (measured on the basis of full-time equivalents) at the same or increased levels, both for the duration of the loan. It is also important that the loan documents expressly state that the employee retention provision begins on the date that loan funding is received by the borrower rather than at an earlier date.</p> <p>Recommendation: We ask that the Federal Reserve adopt safe harbors of other loan programs and state clearly that nonprofit borrowers will not be penalized under the employee retention provision for the decision of employees to decline offers of rehire, or for those who are fired for cause, voluntarily resign, or voluntarily request a reduced schedule during the time that the loan is outstanding.</p> <p>6. Limitation of 50-Employee Minimum Should Be Removed</p> <p>Recommendation: The 50-employee floor should be removed.</p> <p>7. Additional Recommendations and Requests for Clarification I respectfully request the Federal Reserve clarify the following issues in its final expansion notice. Endowment: What resources should be included in endowment calculations? Does it include restricted endowments? Does it extend to include cash on hand? Collateral: Flexibility on collateral is requested. The loan should be able to be approved with no more than 50% Loan to Value (LTV) if collateral is needed. Other Debts: The proposal requires that borrowers, "refrain from repaying the principal balance of, or paying any interest on, any debt until the Eligible Loan is repaid in full, unless the debt or interest payment is mandatory and due." We request that this exclude lines of credit and other debt that are assumed to provide financial liquidity related to the impact of COVID-19.</p>
Staff Group - Main Street Lending Program - Nonprofit Organization Facilities	PIO (Email from Web)	6/22/2020 12:00:00 AM	Murphy	Crystal	cmurphy@compassworkingcapital.org	Compass Working Capital, Inc.	<p>The loan requirements include a minimum of 50 employees, but we strongly believe that threshold should be lowered or even removed. A lot of non-profits that require this funding have fewer than 50 employees.</p> <p>The requirements also have a revenue cap that includes less than 30% sourced from donations. Donations technically include contribution revenue from individuals, as well as private and federal grant awards. The economic downfall as resulted in paused or cancelled funding from individual and institutional donors, which results in a need for loan funding for non-profits. Having a revenue requirement with a limitation directly related to the economic crisis for which lending programs are needed makes no sense.</p>

Main Street Lending Program
Nonprofit Organizations Comments

Event Title / Description	Ticket Type	Received Date	Last Name	First Name	Email Address	Affiliation	Comment
Staff Group - Main Street Lending Program - Nonprofit Organization Facilities	PIO (Email from Web)	6/22/2020 12:00:00 AM	Jindasurat	Chai	cjindasurat@nonprofitnewyork.org	Nonprofit New York	<p>Nonprofit New York, an association of 1,500 nonprofits in the downstate New York region, provides the following recommendations to improve the proposed Nonprofit Organization Loan Programs:</p> <ol style="list-style-type: none"> 1. Loan Forgiveness: The Federal Reserve, either on its own or working with Congress, must recognize the extent to which the public and economy rely on the vital services nonprofits provide to communities and the economy by creating a forgivable loan program. 2. 50-Employee Floor: The Nonprofit Organization Loan programs must be revised to remove the 50-employee floor. 3. 30% Donations Cap: It is essential that the Federal Reserve eliminate the requirement that no more than 30 percent of an organization's 2019 revenues come from donations. 4. Loan Terms: Recognizing the unique nature of nonprofit operations and their importance in continuing to provide vital services as partners on the frontlines of the COVID-19 crisis, we urge the Federal Reserve to eliminate the liquidity and debt ratio provisions in the loan requirements. We also recommend lower interest rates in line with other nonprofit loan programs and a seven-year amortization. 5. Revising EBITA Ratio: The 5 percent requirement should be reduced to zero, if not eliminated. Further, nonprofit borrowers should be allowed to provide a statement of explanation of a deficit so that a negative ratio does not mean automatic ineligibility. Finally, clarification is needed on the calculation methodology - in the context of nonprofit operating budgets - regarding both restricted funding from grants in annual operating budgets and capital funds for improvements. 6. Clarifying Employee Retention Requirements: The term "mission-based" should be inserted before "reasonable efforts" to tailor employee retention requirements to the realities of nonprofit operations. The Employee retention requirements should also apply based on employment levels on the date of loan origination. The reasonable safe harbor provisions of the Paycheck Protection Program Flexibility Act should be extended to this loan program. 7. Additional Questions Recommendations: <ul style="list-style-type: none"> o Endowment: What resources should be included in endowment calculations? Does it include restricted endowments? Does it extend to include cash on hand? o Collateral: Flexibility on collateral is requested. The loan should be available with no more than 50 percent Loan to Value (LTV) if collateral is needed. o Other Debts: The proposal to restrict paying off existing loans should exclude lines of credit and other debt that are assumed to provide financial liquidity related to the impact of COVID-19. <p>The details of these recommendations are discussed in the set of comments submitted by the National Council of Nonprofits, which Nonprofit New York endorses and incorporates here by reference.</p>

Main Street Lending Program
Nonprofit Organizations Comments

Event Title / Description	Ticket Type	Received Date	Last Name	First Name	Email Address	Affiliation	Comment
Staff Group - Main Street Lending Program - Nonprofit Organization Facilities	PIO (Email from Web)	6/22/2020 12:00:00 AM	Fink	Marisa	marisa@oregonymcas.org	Oregon Alliance of YMCAs	<p>June 22, 2020 Federal Reserve Board of Governors Constitution Ave NW &, 20th St NW Washington, DC 20551</p> <p>Subject: Main Street Lending Program - NONLF and NOELF</p> <p>To Whom It May Concern:</p> <p>The Oregon Alliance of YMCAs is respectfully submitting these comments in response to Federal Reserve Board's announcement on June 15, 2020 that it is seeking public feedback on the proposal to expand its Main Street Lending Program for nonprofit organizations. We appreciate the Federal Reserve Board making this program available to nonprofits; however, there are several concerns outlined below that could help improve the program and make it truly applicable and accessible to nonprofit organizations, such as local YMCAs.</p> <p>The 11 YMCAs of Oregon are member associations of the YMCA of the USA (Y-USA). Y-USA is the national resource office for the nation's 2,700 local 501(c)3, charitable, nonprofit YMCAs. YMCAs helps strengthen their local communities through youth development, healthy living, and social responsibility. Annually, YMCAs engage 22 million men, women, and children-regardless of age, income, or background-to nurture the potential of children and teens, improve the nation's health and well-being, and provide opportunities to give back and support neighbors. The Y works side-by-side with its neighbors to make sure everyone has the opportunity to learn, grow, and thrive.</p> <p>Despite mandated facility closures, cancellation of traditional programming and a decrease in giving, the Y has stepped up to address the critical need for safe childcare options and other needed services across the country. At the height of the pandemic the Y offered emergency childcare at more than 1,100 locations for families of medical personnel, essential employees and first responders - 40 locations in Oregon along serving over 1,000 children. With school closures, children cannot access USDA breakfasts and lunch and during this time of economic uncertainty, a rapidly increasing number of adults and families are facing food insecurity. In response, over 1,000 Ys nationwide are providing free grab-and-go meals to help address this urgent need.</p> <p>Citizens in communities of all sizes are depending on local charitable nonprofits to a far greater degree during the response and relief phases to the COVID-19 health and economic crises, and that reliance will only grow during the recovery period ahead.</p> <p>Y-USA has worked with YMCA State Alliances and local Ys to identify and address areas of confusion and contradiction in regard to the much-anticipated Mainstreet Lending Program. These real-life, current concerns and questions based on experiences of Ys across America are the basis for the following comments and recommendations.</p> <p>Comments and Recommendations</p> <p>1. Congress Must Act to Ensure Mid-Sized Nonprofits are Eligible for Loan Forgiveness Congress must ensure that mid-sized nonprofits have access to loan forgiveness. While it is a welcome development to see the Federal Reserve making its Main Street lending program available to some nonprofits, this assistance still falls short of what is most needed by nonprofit organizations - a provision that makes these loans forgivable.</p> <p>In this critical time, nonprofits have stepped up to meet the unprecedented level of need in our country due to the COVID-19 pandemic. Even though they face many of the same economic challenges as other industries, nonprofits are not shutting down. Rather, they are straining to meet increasing demands in our communities on the frontlines, caring for the sick, feeding families, and keeping our communities connected. Furthermore, they will play an integral role as our nation recovers - providing childcare, job training, and other core supports.</p> <p>Charitable nonprofits of all sizes and focus areas are struggling to maintain mission-critical operations despite enormous economic challenges. Data released by Independent Sector shows that nonprofits with between 500 to 5,000 employees, key to scaling relief efforts across the nation, have been severely impacted by this health and economic crisis. When asked "What types of additional assistance would be most helpful to your organization?" organizations overwhelmingly (92% of responses) suggested government support in the form of forgivable loans. Smaller nonprofits throughout the country have been hit equally hard.</p> <p>Nonprofit organizations need funding so they can continue to meet the needs of their communities. Many charitable organizations do not have steady streams of commercial income and have little capacity for loan and interest repayment. Furthermore, nonprofits are the third largest</p>

Main Street Lending Program
Nonprofit Organizations Comments

Event Title / Description	Ticket Type	Received Date	Last Name	First Name	Email Address	Affiliation	Comment
							<p>employment sector and many hope to hire more workers as their organizations recover. America cannot afford to leave out such a vital part of the economy.</p> <p>Recommendation: Congress must recognize the vital services nonprofits provide to communities and the economy by including loan forgiveness, in the next round of COVID-19 relief legislation.</p> <p>2. The Federal Reserve Needs to Make Loan Terms More Favorable to Charitable Organizations</p> <p>The draft Nonprofit Loan Facility imposes certain liquidity, asset, and reserve requirements that are not required in Main Street New Loan Facilities available to for-profit businesses.</p> <p>Nonprofit organizations typically provide services with low-profit margins. Indeed, social service organizations report an average aggregate margin of 1.5%. According to a recent report by Seachange Capital Partners, the median social services nonprofit has a margin of 1.0%, receives 3.6% of its revenue from philanthropy (including investment income), has total financial assets (including endowments and other assets that are subject to legal restrictions) equal to 1.9 months of expenses, and operating reserves of less than one month of expenses. Less than 20% of large nonprofits have 6 months or more of operating reserves, a widely accepted standard for "financial strength" for nonprofits. Social services organizations are the most fragile, with fewer than 10% reaching this standard. The statistics above should not be viewed as an indictment of the efficiencies or management policies of nonprofits.</p> <p>Also, many nonprofits are facility-based and carry planned debt which may be disqualified under the proposed calculation. Furthermore, creditworthiness can be established on other criteria.</p> <p>Recommendation: Recognizing the unique nature of nonprofit operations and their importance in continuing to provide vital services as partners on the front lines of the COVID-19 crisis, we urge the Federal Reserve to eliminate borrower requirements 7 and 8. If this is not possible, we alternatively ask that the requirements be lessened significantly to reflect the economic realities of nonprofit operations, for example by requiring only 30 days cash on hand, and eliminating the specific 65% debt ratio requirement and instead allow a statement of explanation for debt that may be of concern as it relates to credit worthiness.</p> <p>We are also concerned that certain eligible loan features are too onerous for nonprofit organizations and are less favorable than those offered in other government programs. Specifically, the interest rate of LIBOR plus 300 basis points is too high. In addition, the imposition of loan origination and service fees adds to the cost. Finally, the 70% balloon payment at the end of the fifth year of the loan would be difficult for many nonprofits, unless provided an opportunity to refinance such loans at low rates.</p> <p>Recommendation: Revisit the loan terms including interest rate and balloon payments and recommend the lowest permissible rate such as the 0.5% rate initially proposed for PPP loans. We also urge some flexibility in the balloon payment requirement to afford the opportunity for renegotiation. Extending the 5-year amortization to seven years could lessen the balloon payment. We request that borrowers have access to engage with derivatives (change to a fixed rate) without the minimum swap requirements.</p> <p>3. The Ratio of Adjusted 2019 Earnings before "EBIDA" Should Be Revised</p> <p>In the "Draft for Public Consultation," one of the eligibility criteria for borrowers is that they must have "a ratio of adjusted 2019 earnings before interest, depreciation, and amortization (EBIDA) to unrestricted 2019 operating revenue, greater than or equal to 5%." (#6) In the context of nonprofit operations, this threshold is too high and would make many, if not most, nonprofits ineligible based on these criteria alone, which seems written more in the context of for-profit businesses as opposed to nonprofit organizations.</p> <p>It may be prudent and necessary to have a positive ratio of adjusted earnings; however, nonprofits generally run on a small margin, both out of necessity and also so as to not leave excess surpluses that could be used for fulfilling their missions. Moreover, at times a nonprofit may have a planned and manageable deficit as part of a strategic plan-a negative ratio at one isolated point is not always an indication of instability.</p> <p>Furthermore, the footnotes for #6 clarify that "The Eligible Lender should calculate operating revenue as unrestricted operating revenue, excluding funds committed to be spent on capital." Many nonprofits have "restricted revenue" through grants and contracts built into their operating budgets. Excluding this revenue would compound the problem of meeting the 5% ratio. Although it would be sensible to exclude contributions raised for a "capital campaign," excluding other capital funds included in an annual budget for maintenance</p>

Main Street Lending Program
Nonprofit Organizations Comments

Event Title / Description	Ticket Type	Received Date	Last Name	First Name	Email Address	Affiliation	Comment
							<p>and planned upgrades would further decrease the required ratio.</p> <p>Recommendation: The 5% requirement should be reduced to zero, if not eliminated. In addition, a statement of explanation of a deficit should be allowed so that a negative ratio does not mean automatic ineligibility for a nonprofit borrower. Finally, further clarification on the calculation methodology-in the context of nonprofit operating budgets-is needed in regard to both restricted funding from grants in annual operating budgets, as well as capital funds for improvements that are part of an annual operating budget. This clarification would allow noted revenues to remain in calculation to ease the restriction and not further restrict eligibility.</p> <p>4. "Reasonable Efforts" Regarding Employee Retention Require Further Clarification</p> <p>The description of "Retaining Employees" in the draft term sheet requires refinement if the Federal Reserve expects nonprofits to take advantage of this facility. We endorse the analysis of the National Council of Nonprofits on the issue of employee retention, and recommend the following:</p> <p>Recommendation: "Reasonable efforts" should be interpreted in the totality of the circumstances, taking into consideration not only the general economic environment in the community or communities in which the borrower operates, but also factors such as workforce, fundraising ability, revenue-generating activities, and overall demand for the services and programs the organization provides. One option would be to add the qualifier "mission-based" before "reasonable efforts."</p> <p>Recommendation: Further refine the terms "maintain its payroll" and "retain its employees" are vague, and make clear that nonprofits participating in the Main Street loan program generally should endeavor to pay staff at the same or increased income levels and should act in good faith to keep staffing levels (measured on the basis of full-time equivalents) at the same or increased levels, both for the duration of the loan. It is also important that the loan documents expressly state that the employee retention provision begins on the date that loan funding is received by the borrower rather than at an earlier date.</p> <p>Recommendation: Adopt the safe harbors of other loan programs and state clearly that nonprofit borrowers will not be penalized under the employee retention provision for the decision of employees to decline offers of rehire, or for those who are fired for cause, voluntarily resign, or voluntarily request a reduced schedule during the time that the loan is outstanding.</p> <p>5. Limitation of 50-Employee Minimum Should Be Removed</p> <p>The proposed nonprofit loan facility imposes a size minimum that is not imposed in the Main Street Loan Facilities for for-profit businesses. There is no explanation why the Federal Reserve is proposing that nonprofits with fewer than 50 employees should not be eligible for Main Street loans for which their small business counterparts of equal size could secure lending support.</p> <p>Recommendation: Remove the 50-employee floor.</p> <p>6. The Fed's Proposal to Limit Loans to Mid-Size Nonprofits with Less than 30% of Revenue from Donations Disqualifies Many in Charitable Sector. The Federal Reserve's criteria that organizations must have revenues from donations that are less than 30% disqualify many charities. Overall, this loan facility seems more geared to educational institutions and nonprofit hospitals, but not most charitable organizations.</p> <p>Recommendation: Eliminate the requirement that no more than 30 percent of an organization's 2019 revenues come from donations.</p> <p>7. Additional Recommendations and Requests for Clarification</p> <p>The Oregon Alliance of YMCAs respectfully requests clarification of the following issues in the final notice.</p> <p>Endowment: What resources should be included in endowment calculations? Does it include restricted endowments? Does it extend to include cash on hand?</p> <p>Collateral: Flexibility on collateral is requested. The loan should be able to be approved with no more than 50% Loan to Value (LTV) if</p>

Main Street Lending Program
Nonprofit Organizations Comments

Event Title / Description	Ticket Type	Received Date	Last Name	First Name	Email Address	Affiliation	Comment
							<p>collateral is needed.</p> <p>Other Debts: The proposal requires that borrowers, &quot;refrain from repaying the principal balance of, or paying any interest on, any debt until the Eligible Loan is repaid in full, unless the debt or interest payment is mandatory and due.&quot; We request that this exclude lines of credit and other debt that are assumed to provide financial liquidity related to the impact of COVID-19.</p> <p>Conclusion The Oregon Alliance of YMCAs appreciates the opportunity to submit these comments to the Federal Reserve about the Mainstreet Lending Program for Nonprofits, which, in its proposed form, seems aimed more at nonprofits such as hospitals and institutions of higher education than at nonprofits like local YMCAs. Given that, we respectfully request the Federal Reserve to address the concerns and proposed changes outlined above.</p> <p>Thank you for considering these comments and recommendations. We stand ready to work with you to strengthen the Mainstreet Lending Program and give YMCAs the resources to help communities across America get through this crisis and promote a vibrant and equitable economic recovery.</p> <p>Sincerely, Marisa Fink Executive Director Oregon Alliance of YMCAs</p>
Staff Group - Main Street Lending Program - Nonprofit Organization Facilities	PIO (Email from Web)	6/22/2020 12:00:00 AM	Thakadiyil	Philip	philip.thakadiyil@swe.org	Society of Women Engineers	<p>With similar underwriting requirements comparable to for profit corporations, not for profits such as ours will be seen as a worthwhile loan risk for the Federal Reserve/lending institutions. Prior to the pandemic, our organization was on track to fulfill our mission to encourage women to pursue careers in the STEM fields, unfortunately due to the pandemic, we cancelled multiple in person conferences that facilitate these interactions and are needed by our sponsor corporations to source employees. With the main street lending program and our substantial history of maintaining fiscally responsible policies we would be able to continue this programming and encouraging women in STEM fields without suffering significant financial setbacks.</p>

Main Street Lending Program
Nonprofit Organizations Comments

Event Title / Description	Ticket Type	Received Date	Last Name	First Name	Email Address	Affiliation	Comment
Staff Group - Main Street Lending Program - Nonprofit Organization Facilities	PIO (Email from Web)	6/22/2020 12:00:00 AM	Clausen	Thomas	tclausen@liffund.com	LiftFund Inc.	<p>We believe the proposal to expand the Main Street Lending Program to provide access to credit for nonprofit organizations has significant merit and would provide small and medium-sized nonprofits access to low cost additional liquidity during the current challenging period. However, we respectfully submit the following two comments to address the reality of revenue sourcing and the cost of capital specifically as it relates to small and medium-sized nonprofits that lend to small businesses.</p> <p>1. Revenue Source Requirement: Recommend that the Revenue Source Requirement proposal limiting the amount of revenue sourced from donations to "less than 30%" be increased to "less than 50% sourced from donations". Many nonprofits may receive in excess of 30% of their revenue from donations; particularly during this time when almost all of their small business lending is directly related to COVID-19 and PPP loans. Many of these programs are supported by grant funds to assist the nonprofits with adequate grant and donation funds to help cover administrative costs of managing the programs as well as the loss of interest revenue due to principal and interest deferral programs offered to their existing small business loan portfolio customers and potential loan losses that may be incurred on small business loans in their existing portfolio. As many financial institutions, foundations and individuals have become more cognizant of the essential economic service that the nonprofit small business lending organizations are providing during this current critical period they have increased their grants and donations accordingly; thereby increasing the percentage of revenue from these sources to unprecedented levels.</p> <p>2. Interest Rate: Recommend that the interest rate proposed of LIBOR + 3% be revised to a fixed rate of 1% - 2%. The majority of small business loans that a nonprofit small business lender makes are at a fixed rate and therefore make up the largest portion of the loan portfolio. The primary reason for this is so that when the loan is being underwritten, both the lender and the borrower can more properly forecast the future cash flow available to service the loan than could be done with a variable rate loan. To make fixed rate loans with variable rate debt will cause a significant asset and liability mismatch on the nonprofits balance sheet which would cause a negative cash flow and interest revenue/expense net margin effect on the nonprofits operations. A fixed rate debt instrument will allow the nonprofits to better manage their interest rate environment and the effect on their ability to continue making manageable fixed rate loans to small business borrowers.</p>
Staff Group - Main Street Lending Program - Nonprofit Organization Facilities	PIO (Email from Web)	6/22/2020 12:00:00 AM	King	Tim	tking@urbanprep.org		<p>Thank you for accepting comments on this important program.</p> <p>1) Nonprofit organizations provide essential services to the public yet have been hardest hit by the COVID-19 pandemic. This program is essential to support nonprofits.</p> <p>2) Because of the structure of nonprofit organizations (including revenue streams), they are not often considered good credit risks for banks or they are prioritized after commercial/for-profit enterprises. Therefore, it would be beneficial if the Main Street Lending program somehow incentivized banks to lend to nonprofits. For example, the fed could allow the funds to be used as collateral to issue loans to nonprofits, thereby reducing the risk taken on by the lender.</p> <p>3) In order to ensure that communities in greatest need continue to receive services, nonprofits that work with minority and/or economically disadvantaged populations should be prioritized. Banks should be incentivized to provide loans under this program to those nonprofits.</p> <p>4) Because nonprofits (particularly the smaller ones) typically do not have the capacity to manage complicated financial transactions, the application and loan funding process should be streamline and as simple as possible.</p> <p>Again, thank you very much for considering these comments/suggestions.</p>
Staff Group - Main Street Lending Program - Nonprofit Organization Facilities	PIO (Email from Web)	6/22/2020 12:00:00 AM	Wang	Wendy	wwang@hscfs.org	Ms.	<p>Hathaway-Sycamores wishes to submit public comments for consideration by the Board of Governors.</p> <p>We are opposed to the proposed requirement that sets a maximum limit of 30% from donations for non-profits that are eligible for this program. This requirement would likely disqualify many non-profits from eligibility. Additionally, the Federal Reserve proposes to require high levels of liquidity; however, the public health emergency has reduced the level of liquidity for non-profit organizations. We are also very concerned about the proposed interest rates which are set at the same rates as for-profit firms. Hathaway-Sycamores wants to highlight that the fact that other federal COVID-19 economic assistance programs (PPP and EIDL) for non-profits have set a lower interest rate(s) for these entities, realizing that there are some unique financial challenges faced by 501 &copy;3 corporations during this time. Lastly, we suggest that there should be a longer length of time for payment schedules for balloon payments or an option to re-negotiate the loan period with the qualified entity. Thank you for your consideration.</p>

Main Street Lending Program
Nonprofit Organizations Comments

Event Title / Description	Ticket Type	Received Date	Last Name	First Name	Email Address	Affiliation	Comment
Staff Group - Main Street Lending Program - Nonprofit Organization Facilities	PIO (Email from Web)	6/22/2020 12:00:00 AM	Miklos	Carla	cmiklos@operationhopect.org	Operation HOPE	<p>Please accept this letter of support regarding the Federal Reserve Board proposal to expand its Main Street Lending Program to provide access to credit for nonprofit organizations. Expanding this program to allow small and medium-sized nonprofits that were in sound financial condition before the coronavirus pandemic will help reach a lot of employers who could benefit from additional liquidity to manage through this challenging period.</p> <p>As a non-profit leader I can attest to this statement:</p> <p>"Nonprofit organizations are critical parts of our economy, employing millions of people, providing essential services to communities, and supporting innovation and the development of a highly skilled workforce," Federal Reserve Chair Jerome H. Powell said. "Nonprofits provide vital services across the country and we are working to help them through this difficult time."</p> <p>Too often the non-profit designation eliminates these necessary businesses from access to lending opportunities that limit their reach to the for-profit sector. In doing so, organizations are forced to operate on small margins, limited by outdated notions that they are not in need of investment in overhead, infrastructure and other costs necessary for maintaining stability.</p> <p>By opening this program to qualifying 501c3 and 501c(19), the Federal Reserve not only acknowledges the value of the work done by these organizations across the country, but also validates the excellent business leadership of these agencies and their boards, as well as their ability to use these funds wisely. Our attention to a double bottom line - sound financial management and meeting our missions - make investing in, and doing business with, us a win-win.</p> <p>If I could add one comment, I would ask that consideration be made to offer this opportunity or a similar one, to agencies that have staff of 30 or more. Many of us have had to maintain less than optimum levels of staffing but still achieve so much through leveraging, thoughtful planning and healthy management practices. Access to credit when needed, as in times like this, could be a major win for these non-profits and the communities they serve.</p> <p>Please do not hesitate to contact me if you would like additional information -</p> <p>Sincerely,</p> <p>Carla Miklos Executive Director</p> <p>Carla Miklos Executive Director</p>

Main Street Lending Program
Nonprofit Organizations Comments

Event Title / Description	Ticket Type	Received Date	Last Name	First Name	Email Address	Affiliation	Comment
Staff Group - Main Street Lending Program - Nonprofit Organization Facilities	PIO (Email from Web)	6/22/2020 12:00:00 AM	Boyle	Brandon	bboyle@chc-capitalfund.org	Community Health Center Capital Fund	<p>Comments for Main Street Loan Programs for Nonprofits</p> <p>Thank you for the opportunity to provide comments on the Main Street Loan Program for Nonprofits. As a Community Development Financial Institutions dedicated exclusively to providing financing to Federally Qualified Health Centers (FQHCs), Community Health Capital Fund has provided \$108 million in financing to FQHCs nationally for projects totaling over \$270 million. As such, we are uniquely positioned to advise the Federal Reserve on reasonable lending parameters for the Main Street Loan Program as they relate to FQHCs.</p> <p>We are writing on behalf of the more than 1,400 Federally Qualified Health Centers across the country. FQHCs are community-based, non-profit organizations whose goal is to provide affordable, accessible health care for all individuals, regardless of their ability to pay. As explained below, we appreciate the Federal Reserve’s intention to expand Main Street Loans to non-profit organizations; however, after closely reviewing the draft Term Sheet, we determined that almost no FQHCs would qualify for these loans under the current eligibility requirements. Therefore, we are therefore requesting that:</p> <ul style="list-style-type: none"> the loan terms be revised to enable the majority of FQHCs to qualify, and FQHCs be permitted to work with Community Development Financial Institutions (CDFIs) to access Main Street loans, as CDFIs understand the unique FQHC model and collectively have provided more than \$2.1 billion in loans to FQHCs, with a default rate of less than 1/10th of 1%. <p>Background on FQHCs and the COVID-19 Pandemic</p> <p>As community-based, non-profit organizations committed to ensuring access to health care, FQHCs have been on the frontlines of the COVID-19 pandemic since the beginning. With more than 12,000 care delivery sites nationally, FQHCs provide care for nearly 30 million patients. FQHC patients have been disproportionately impacted by the pandemic, as 91% of them are low-income, 23% are uninsured, and 68% are racial and ethnic minorities, many of whom suffer from multiple chronic health conditions associated with poverty and the effects of racism.</p> <p>Throughout the pandemic, FQHCs have provided a range of critical front-line care and a growing proportion of testing, particularly in the low-income, minority communities they serve. At the same time, FQHCs have experienced a significant decline in revenue, due to the need to curtail many primary and preventive care visits. This combination has placed major financial strain on these non-profit, community-based providers, forcing them to close sites and lay off staff at the time when their services are most needed.</p> <p>While FQHCs have received some Federal funding to support COVID relief, for many FQHCs this funding is not enough to reestablish their pre-COVID level of operations, let alone prepare for the increased demand that will result as millions of newly-unemployed and uninsured individuals turn to them for care. To date, the Provider Relief Fund has offered most FQHCs only 2% of their net patient revenues; also, FQHCs with over 500 staff - which in total care for about 9 million patients - are ineligible for Paycheck Protection Loans because of their size.</p> <p>Recommendation to expand eligibility criteria to allow majority of FQHCs to qualify:</p> <p>For these reasons, Community Health Center Capital Fund was relieved to hear that the Small Business Administration will soon make Main Street Loans available to non-profit organizations with 50 to 15,000 employees. However, after reviewing the Terms Sheet, we determined that almost no FQHCs would qualify under the proposed eligibility criteria.</p> <p>This conclusion is based on an analysis conducted by Capital Link, a non-profit organization that receives funding from the Federal Department of Health and Human Services to assist FQHCs with accessing capital. Capital Link determined that under the proposed lending parameters:</p> <ul style="list-style-type: none"> Prior to the pandemic, only 13% of health centers would have met the combined criteria. This includes less than one in five of the FQHCs with over 500 staff, who are currently ineligible for the Paycheck Protection Program. Because of the significant cash declines experienced by FQHCs as a result of COVID-19, at present, far fewer than 13% would be able to meet the DCOH and Cash/Debt ratio at loan origination. <p>The most problematic financial parameters for FQHCs are:</p> <ul style="list-style-type: none"> EBIDA to unrestricted 2019 operating revenue greater than or equal to 5% Days cash on hand at loan origination equal to or greater than 90 days Ratio of unrestricted cash and investments to outstanding debt (including Main Street debt and CMS Accelerated and Advance Payments) at origination is 65% or greater <p>In order to provide a meaningful program for which approximately 60% of FQHCs would qualify, we request that the Federal Reserve adjust</p>

Main Street Lending Program
Nonprofit Organizations Comments

Event Title / Description	Ticket Type	Received Date	Last Name	First Name	Email Address	Affiliation	Comment
							<p>the following lending parameters for FQHCs loans as follows: EBIDA to unrestricted 2019 operating revenue greater than or equal to 3% Days cash on hand at loan origination equal to or greater than 30 days Eliminate the unrestricted cash to debt ratio requirement Lower the minimum employee requirement to 20.</p> <p>In addition, we ask that the Federal Reserve clarify the eligibility requirement that reads: "has not received specific support pursuant to the Coronavirus Economic Stabilization Act of 2020 (Subtitle A of Title IV of the CARES Act)." As you know, Section 4003 of Title IV authorizes the Federal government to make loans to States and municipalities for COVID-19 relief. It is possible that a state or municipality could receive a loan under Section 4003, and use part of it to support FQHCs or other safety net providers. To make clear that FQHCs or other providers who receive this type of support from their state are still eligible for Main Street Loans, we recommend that the term "specific support" be revised to read "direct support."</p> <p>Request for FQHCs to work directly with CDFIs to access Main Street Loans</p> <p>Finally, it is important to note that Community Development Financial Institutions (CDFIs) have historically played a major role in providing financing to FQHCs for decades. As such, they understand the FQHC model and are best positioned to underwrite loans to health centers. We are part of a 25-member coalition of CDFIs who have joined together to promote access to capital for FQHCs. Together, members of the Lenders Coalition for Community Health Centers have collectively provided more than \$2.1 billion in loans to FQHCs, with a default rate of less than 1/10th of 1%.</p> <p>Unfortunately, very few CDFIs would qualify as eligible lenders under the program as it is currently construed. To enable FQHCs to work directly with lenders who best understand their model and needs, we recommend that the Federal Reserve structure the nonprofit portion of the Main Street Loan Program to: Allow CDFIs to participate as lenders in the program; and Allow CDFIs to borrow from the Federal Reserve under the same terms as banks, which would enable CDFIs to offer interest rates to FQHCs at LIBOR +3%</p> <p>We are providing these comments on short notice to accommodate the Federal Reserve's request. We would be happy to provide more detailed comments and/or provide additional information to assist the Federal Reserve in developing a program that will be responsive to the current needs of Federally Qualified Health Centers.</p>

Main Street Lending Program
Nonprofit Organizations Comments

Event Title / Description	Ticket Type	Received Date	Last Name	First Name	Email Address	Affiliation	Comment
Coronavirus (COVID-19)	PIO (Email from Web)	6/22/2020 12:00:00 AM	Casa	Gian-Carl	jshaw@ctnonprofitalliance.org	The Alliance	<p>The Alliance is the statewide association of community nonprofits in Connecticut. Community nonprofits provide essential services in every city and town in Connecticut, serving more than half a million people in need and employing 117,000 people across the State.</p> <p>We appreciate the proposal to expand the Main Street lending program to community nonprofits, as these community-based organizations continue to confront a myriad of issues due to the COVID-19 crisis. While another funding stream is welcome, it must be designed appropriately with a clear understanding of the nonprofit budget and service delivery model. As an example, many nonprofits will be hesitant to take on the risk associated with a loan of this size because, unlike for-profits businesses that have time to make a profit to pay back the loan (interest and principal), nonprofits are not in the business of making profits, they serve people and communities and those needs often increase. A forgivable loan would be a better option.</p> <p>The Alliance appreciates the opportunity to submit comment to the Federal Reserve about the Nonprofit Organization Loan Facilities. This proposal is aimed more at transactional nonprofits such as hospitals and institutions of higher ed than at community nonprofits that have a larger reliance on donations from the public to support their missions. Indeed, many community nonprofits pride themselves on offering their services at no charge. Recognizing that their business models are different, even if both types of organizations are inherently organized around a public mission, many of the financial requirements included in this proposal simply are not applicable to community nonprofits. With that in mind, The Alliance respectfully requests the Federal Reserve to address the concerns and proposed changes outlined below.</p> <p>1. Congress Must Act to Ensure Mid-Sized Community Nonprofits are Eligible for Loan Forgiveness Congress must ensure that mid-sized community nonprofits have access to loan forgiveness. While it is a welcome development to see the Federal Reserve making its Main Street lending program available to some nonprofits, this assistance still falls short of what is most needed by nonprofit organizations - a provision that makes these loans forgivable.</p> <p>In this critical time, community nonprofits have stepped up to meet the unprecedented level of need in our country due to the COVID-19 pandemic. Even though they face many of the same economic challenges as other industries, many community nonprofits never shut down. Rather, they are straining to meet increasing demands in our communities on the frontlines, caring for the sick, feeding families, and keeping our communities connected. Furthermore, they will play a critical role as our nation recovers - providing child care, job training, and other core supports.</p> <p>Community nonprofits of all sizes and focus areas are struggling to maintain mission-critical operations despite enormous economic challenges. Data released by Independent Sector shows that nonprofits with between 500 to 5,000 employees, key to scaling relief efforts across the nation, have been severely impacted by this health and economic crisis. When asked "What types of additional assistance would be most helpful to your organization?" organizations overwhelmingly (92% of responses) suggested government support in the form of forgivable loans. Smaller community nonprofits have been hit equally hard, especially those that rely on in-person services and indoor venues.</p> <p>Nonprofit organizations need funding so they can continue to meet the needs of their communities. Many community nonprofits do not have steady streams of commercial income and have little capacity for loan and interest repayment. Furthermore, nonprofits are the third largest employment sector and many hope to hire more workers as their organizations recover.</p> <p>Recommendation: Congress must recognize the vital services community nonprofits provide to communities and the economy by including loan forgiveness, in the next round of COVID-19 relief legislation.</p> <p>2. The Fed's Proposal to Limit Loans to Mid-Size Community Nonprofits with Less than 30% of Revenue from Donations Will Disqualify Many The Federal Reserve's criteria that organizations must have revenues from donations that are less than 30% may disqualify organizations that could most benefit from the program.</p> <p>Recommendation: Eliminate the requirement that no more than 30 percent of an organization's 2019 revenues come from donations, and instead make 501(c)(3) organizations that are otherwise meet the employee size are eligible.</p> <p>3. The Fed Needs to Make Loan Terms More Favorable to Community Nonprofits The draft Nonprofit Loan Facility imposes certain liquidity, asset, and reserve requirements that are not required in Main Street New Loan Facilities available to for-profit businesses.</p>

Main Street Lending Program
Nonprofit Organizations Comments

Event Title / Description	Ticket Type	Received Date	Last Name	First Name	Email Address	Affiliation	Comment
							<p>Nonprofit organizations typically provide services with low-profit margins. Indeed, social service organizations report an average aggregate margin of 1.5%. According to a recent report by Seachange Capital Partners, the median social services nonprofit has a margin of 1.0%, receives 3.6% of its revenue from philanthropy (including investment income), has total financial assets (including endowments and other assets that are subject to legal restrictions) equal to 1.9 months of expenses, and operating reserves of less than one month of expenses. Less than 20% of large nonprofits have 6 months or more of operating reserves, a widely accepted standard for "financial strength" for nonprofits. Social services organizations are the most fragile, with fewer than 10% reaching this standard.</p> <p>The statistics above should not be viewed as an indictment of the efficiencies or management policies of nonprofits. It is important to note that the vast majority of social service nonprofit funding comes from government grants contracts, recognizing the key role such organizations play in serving the most vulnerable. Numerous studies confirm that government funding seldom covers the full cost of providing contracted work, which inhibits community nonprofits from accumulating reserves through surpluses. In Connecticut, the practice of "cost settlement" goes even farther, by requiring nonprofits to return any unspent funds at the end of the fiscal year, even if they were able to do something more efficiently or through innovation. Building reserves is difficult even in the best circumstances. In many instances, government grant/contract work creates cash-flow challenges since it is paid after the work has been completed and can be subject to significant delays in payment.</p> <p>Recommendation: Recognizing the unique nature of nonprofit operations and their importance in continuing to provide vital services as partners on the front lines of the COVID-19 crisis, we urge the Federal Reserve to eliminate borrower requirements 7 and 8. If this is not possible, we alternatively ask that the requirements be lessened significantly to reflect the economic realities of nonprofit operations, for example by requiring only 30 days cash on hand, and bringing the loan origination ratio of 40-50% (down from 65% as proposed).</p> <p>We are also concerned that certain eligible loan features are too onerous for community nonprofits and are less favorable than those offered in other government programs. Specifically, the interest rate of LIBOR plus 300 basis points is significantly higher than that offered for Paycheck Protection Program ("PPP") Loans (1.0%) and that for Economic Injury Disaster Loans (2.75%). In addition, the imposition of loan origination and service fees adds to the cost under the Nonprofit Facility. Finally, the notion that community nonprofits would be faced with a 70% balloon payment at the end of the fifth year of the loan would be off-putting for many organizations. Nonprofits with existing loans with balloon payments are usually provided an opportunity to renegotiate such loans at prevailing market rates.</p> <p>Recommendation: We urge that the loan terms including interest rate and balloon payments be revisited and recommend the lowest permissible rate such as the 0.5% rate initially proposed for PPP loans. In addition, we urge some flexibility in the balloon payment requirement to afford the opportunity for renegotiation. If the 5-year amortization were extended to 7 years, this could lessen the balloon payment. We request that the borrower have access to engage with derivatives (change to a fixed rate) without the minimum swap requirements.</p> <p>4. The Ratio of Adjusted 2019 Earnings before "EBIDA" Should Be Revised In the "Draft for Public Consultation," for both the Nonprofit Organization New Loan Facility and the Nonprofit Organization Expanded Loan Facility, one of the eligibility criteria for borrowers is that they must have "a ratio of adjusted 2019 earnings before interest, depreciation, and amortization ("EBIDA") to unrestricted 2019 operating revenue, greater than or equal to 5%." (#6) In the context of nonprofit operations, this threshold is too high and would make many, if not most, nonprofits ineligible based on these criteria alone, which seems written more in the context of for-profit businesses as opposed to nonprofit organizations.</p> <p>It may certainly be prudent and necessary to have a positive ratio of adjusted earnings; however, community nonprofits generally run on a small margin, both out of necessity and also so as to not leave excess surpluses that could be used for fulfilling their missions. Moreover, at times a community nonprofit may have a planned and manageable deficit as part of a strategic plan-a negative ratio at one isolated point is not always an indication of instability.</p> <p>Furthermore, the footnotes for criteria #6 clarify that "The Eligible Lender should calculate operating revenue as unrestricted operating revenue, excluding funds committed to be spent on capital." Many nonprofits have "restricted revenue" through grants and contracts built into their operating budgets. Excluding this revenue would compound the problem of meeting the 5% ratio. Although it would be sensible to exclude contributions raised for a "capital campaign," excluding other capital funds included in an annual budget for maintenance and planned upgrades would further decrease the required ratio.</p> <p>Recommendation: The 5% requirement should be reduced to zero, if not eliminated. In addition, a statement of explanation of a deficit should be allowed so that a negative ratio does not mean automatic ineligibility for a nonprofit borrower. Finally, further clarification on the calculation</p>

Main Street Lending Program
Nonprofit Organizations Comments

Event Title / Description	Ticket Type	Received Date	Last Name	First Name	Email Address	Affiliation	Comment
							<p>methodology -in the context of nonprofit operating budgets- is needed in regard to both restricted funding from grants in annual operating budgets, as well as capital funds for improvements that are part of an annual operating budget. This clarification would allow noted revenues to remain in calculation to ease the restriction and not further restrict eligibility.</p> <p>5. "Reasonable Efforts" Regarding Employee Retention Require Further Clarification The description of "Retaining Employees" in the draft term sheet requires refinement if the Federal Reserve expects community nonprofits to take advantage of this facility. We endorse the analysis of the National Council of Nonprofits on the issue of employee retention, and recommend the following:</p> <p>Recommendation: "Reasonable efforts" should be interpreted in the totality of the circumstances, taking into consideration not only the general economic environment in the community or communities in which the borrower operates, but also factors such as workforce, fundraising ability, revenue-generating activities, and overall demand for the services and programs the organization provides. One option would be to add the qualifier "mission-based" before "reasonable efforts."</p> <p>Recommendation: The terms "maintain its payroll" and "retain its employees" are vague and need further refinement. We ask the Federal Reserve to make clear that nonprofits participating in the Main Street loan program generally should endeavor to pay staff at the same or increased income levels and should act in good faith to keep staffing levels (measured on the basis of full-time equivalents) at the same or increased levels, both for the duration of the loan. It is also important that the loan documents expressly state that the employee retention provision begins on the date that loan funding is received by the borrower rather than at an earlier date.</p> <p>Recommendation: We ask that the Federal Reserve adopt safe harbors of other loan programs and state clearly that nonprofit borrowers will not be penalized under the employee retention provision for the decision of employees to decline offers of rehire, or for those who are fired for cause, voluntarily resign, or voluntarily request a reduced schedule during the time that the loan is outstanding.</p> <p>6. Limitation of 50-Employee Minimum Should Be Removed The term sheet for the proposed nonprofit loan facility imposes a size minimum that is not imposed in the Main Street New, Priority, or Expanded Loan Facilities for for-profit businesses. There is no explanation why the Federal Reserve is proposing that nonprofits with fewer than 50 employees should not be eligible for Main Street loans for which their small business counterparts of equal size could secure lending support.</p> <p>Many of the nonprofits in our network are on the frontlines of this pandemic, working with fewer than 50 employees to address immediate and growing needs. These vital organizations would be arbitrarily excluded from important loan program.</p> <p>Recommendation: The 50-employee floor should be removed.</p> <p>7. Additional Recommendations and Requests for Clarification The Alliance respectfully requests the Federal Reserve clarify the following issues in its final expansion notice.</p> <ul style="list-style-type: none"> o Endowment: What resources should be included in endowment calculations? Does it include restricted endowments? Does it extend to include cash on hand? o Collateral: Flexibility on collateral is requested. The loan should be able to be approved with no more than 50% Loan to Value (LTV) if collateral is needed. o Other Debts: The proposal requires that borrowers, "refrain from repaying the principal balance of, or paying any interest on, any debt until the Eligible Loan is repaid in full, unless the debt or interest payment is mandatory and due." We request that this exclude lines of credit and other debt that are assumed to provide financial liquidity related to the impact of COVID-19. <p>Thank you for your consideration of these recommendations, which will better ensure the Main Street Loan Program helps as many community nonprofits as intended.</p> <p>Gian-Carl Casa President & CEO The Alliance</p>

Main Street Lending Program
Nonprofit Organizations Comments

Event Title / Description	Ticket Type	Received Date	Last Name	First Name	Email Address	Affiliation	Comment
Staff Group - Main Street Lending Program - Nonprofit Organization Facilities	PIO (Email from Web)	6/22/2020 12:00:00 AM	Gustafson	Joan	jgustafson@mnonline.org	Michigan Nonprofit Association	<p>Michigan Nonprofit Association (MNA) is a statewide membership organization serving more than 50,000 nonprofits in Michigan by providing resources, training, and advocacy. Nonprofits play a vital role in Michigan's economy and in providing essential services. In response to Covid-19, Michigan's nonprofits have stepped up to meet the unprecedented level of need due to the COVID-19 pandemic. Even though they face many of the same economic challenges as other industries, nonprofits are not shutting down. Rather, they are straining to meet increasing demands on the frontlines, caring for the sick, feeding families, and keeping our communities connected. Furthermore, they will play an integral role as our nation recovers - providing child care, job training, and other core supports.</p> <p>MNA appreciates the opportunity to submit comment to the Federal Reserve about the Nonprofit Organization Loan Facilities and respectfully requests the Federal Reserve to address the concerns and proposed changes outlined below.</p> <p>1. Congress Must Act to Ensure Mid-Sized Nonprofits are Eligible for Loan Forgiveness While it is a welcome development to see the Federal Reserve making its Main Street lending program available to some nonprofits, this assistance still falls short of what is most needed by nonprofit organizations - a provision that makes these loans forgivable.</p> <p>Charitable nonprofits of all sizes and focus areas are struggling to maintain mission-critical operations despite enormous economic challenges. Data released by Independent Sector shows that nonprofits with between 500 to 5,000 employees, key to scaling relief efforts across the nation, have been severely impacted by this health and economic crisis.</p> <p>Recommendation: Congress must recognize the vital services nonprofits provide to communities and the economy by including loan forgiveness, in the next round of COVID-19 relief legislation</p> <p>2. The Fed's Proposal to Limit Loans to Mid-Size Nonprofits with Less than 30% of Revenue from Donations Disqualifies Many in Charitable Sector The Federal Reserve's criteria that organizations must have revenues from donations that are less than 30% disqualify many charities. Overall, this loan facility seems more applicable to for-profit entities, as well as educational institutions and nonprofit hospitals, but not most charitable organizations. Nonprofits raise money and receives donations from the public, foundations, corporations and others to fund their work. Many do not receive a significant amount of revenue through direct services.</p> <p>Recommendation: Eliminate the requirement that no more than 30 percent of an organization's 2019 revenues come from donations, and instead make 501(c)(3) organizations that are otherwise meet the employee size are eligible.</p> <p>3. The Fed Needs to Make Loan Terms More Favorable to Charitable Organizations The draft Nonprofit Loan Facility imposes certain liquidity, asset, and reserve requirements that are not required in Main Street New Loan Facilities available to for-profit businesses.</p> <p>Nonprofit organizations typically provide services with low-profit margins. Indeed, social service organizations report an average aggregate margin of 1.5%. It is important to note that the vast majority of social service nonprofit funding comes from government grants contracts, recognizing the key role such organizations play in serving the most vulnerable. Numerous studies confirm that government funding seldom covers the full cost of providing contracted work, which inhibits nonprofits from accumulating reserves through surpluses. In many instances, government grant/contract work creates cash-flow challenges since it is paid after the work has been completed and can be subject to significant delays in payment.</p> <p>Recommendation: Recognizing the unique nature of nonprofit operations and their importance in continuing to provide vital services as partners on the front lines of the COVID-19 crisis, we urge the Federal Reserve to eliminate borrower requirements 7 and 8. If this is not possible, we alternatively ask that the requirements be lessened significantly to reflect the economic realities of nonprofit operations, for example by requiring only 30 days cash on hand, and bringing the loan origination ratio of 40-50% (down from 65% as proposed).</p> <p>We are also concerned that certain eligible loan features are too onerous for nonprofit organizations and are less favorable than those offered in other government programs. Specifically, the interest rate of LIBOR plus 300 basis points is significantly higher than that offered for Paycheck Protection Program ("PPP") Loans (1.0%) and that for Economic Injury Disaster Loans (2.75%). In addition, the imposition of loan origination and service fees adds to the cost under the Nonprofit Facility. Finally, the notion that nonprofits would be faced with a 70% balloon payment at the end of the fifth year of the loan would be off-putting for many nonprofits. Nonprofits with existing loans with</p>

Main Street Lending Program
Nonprofit Organizations Comments

Event Title / Description	Ticket Type	Received Date	Last Name	First Name	Email Address	Affiliation	Comment
							<p>balloon payments are usually provided an opportunity to renegotiate such loans at prevailing market rates.</p> <p>Recommendation: We urge that the loan terms including interest rate and balloon payments be revisited and recommend the lowest permissible rate such as the 0.5% rate initially proposed for PPP loans. In addition, we urge some flexibility in the balloon payment requirement to afford the opportunity for renegotiation. If the 5-year amortization were extended to 7 years, this could lessen the balloon payment. We request that the borrower have access to engage with derivatives (change to a fixed rate) without the minimum swap requirements.</p> <p>4. The Ratio of Adjusted 2019 Earnings before &quot;EBIDA&quot; Should Be Revised In the &quot;Draft for Public Consultation,&quot; for both the Nonprofit Organization New Loan Facility and the Nonprofit Organization Expanded Loan Facility, one of the eligibility criteria for borrowers is that they must have &quot;a ratio of adjusted 2019 earnings before interest, depreciation, and amortization (&quot;EBIDA&quot;); to unrestricted 2019 operating revenue, greater than or equal to 5%.&quot; (#6) In the context of nonprofit operations, this threshold is too high and would make many, if not most, nonprofits ineligible based on these criteria alone, which seems written more in the context of for-profit businesses as opposed to nonprofit organizations.</p> <p>It may certainly be prudent and necessary to have a positive ratio of adjusted earnings; however, nonprofits generally run on a small margin, both out of necessity and also so as to not leave excess surpluses that could be used for fulfilling their missions.</p> <p>Furthermore, the footnotes for criteria #6 clarify that &quot;The Eligible Lender should calculate operating revenue as unrestricted operating revenue, excluding funds committed to be spent on capital.&quot; Many nonprofits have &quot;restricted revenue&quot; through grants and contracts built into their operating budgets. Excluding this revenue would compound the problem of meeting the 5% ratio. Although it would be sensible to exclude contributions raised for a &quot;capital campaign,&quot; excluding other capital funds included in an annual budget for maintenance and planned upgrades would further decrease the required ratio.</p> <p>Recommendation: The 5% requirement should be reduced to zero, if not eliminated. In addition, a statement of explanation of a deficit should be allowed so that a negative ratio does not mean automatic ineligibility for a nonprofit borrower. Finally, further clarification on the calculation methodology -in the context of nonprofit operating budgets- is needed in regard to both restricted funding from grants in annual operating budgets, as well as capital funds for improvements that are part of an annual operating budget. This clarification would allow noted revenues to remain in calculation to ease the restriction and not further restrict eligibility.</p> <p>5. &quot;Reasonable Efforts&quot; Regarding Employee Retention Require Further Clarification The description of &quot;Retaining Employees&quot; in the draft term sheet requires refinement if the Federal Reserve expects nonprofits to take advantage of this facility. We endorse the analysis of the National Council of Nonprofits on the issue of employee retention, and recommend the following:</p> <p>Recommendation: &quot;Reasonable efforts&quot; should be interpreted in the totality of the circumstances, taking into consideration not only the general economic environment in the community or communities in with the borrower operates, but also factors such as workforce, fundraising ability, revenue-generating activities, and overall demand for the services and programs the organization provides. One option would be to add the qualifier &quot;mission-based&quot; before &quot;reasonable efforts.&quot;</p> <p>Recommendation: The terms &quot;maintain its payroll&quot; and &quot;retain its employees&quot; are vague and need further refinement. We ask the Federal Reserve to make clear that nonprofits participating in the Main Street loan program generally should endeavor to pay staff at the same or increased income levels and should act in good faith to keep staffing levels (measured on the basis of full-time equivalents) at the same or increased levels, both for the duration of the loan. It is also important that the loan documents expressly state that the employee retention provision begins on the date that loan funding is received by the borrower rather than at an earlier date.</p> <p>Recommendation: We ask that the Federal Reserve adopt safe harbors of other loan programs and state clearly that nonprofit borrowers will not be penalized under the employee retention provision for the decision of employees to decline offers of rehiring, or for those who are fired for cause, voluntarily resign, or voluntarily request a reduced schedule during the time that the loan is outstanding.</p> <p>6. Limitation of 50-Employee Minimum Should Be Removed The term sheet for the proposed nonprofit loan facility imposes a size minimum that is not imposed in the Main Street New, Priority, or Expanded Loan Facilities for for-profit businesses. There is no explanation why the Federal Reserve is proposing that nonprofits with fewer than 50 employees should not be eligible for Main Street loans for which their small business counterparts of equal size could secure lending</p>

Main Street Lending Program
Nonprofit Organizations Comments

Event Title / Description	Ticket Type	Received Date	Last Name	First Name	Email Address	Affiliation	Comment
							support. Recommendation: The 50-employee floor should be removed.

Main Street Lending Program
Nonprofit Organizations Comments

Event Title / Description	Ticket Type	Received Date	Last Name	First Name	Email Address	Affiliation	Comment
Staff Group - Main Street Lending Program - Nonprofit Organization Facilities	PIO (Email from Web)	6/22/2020 12:00:00 AM	Bullock	Benjamin	benjamin@together.sc.org	Together SC	<p>Together SC, the statewide association of charitable nonprofit organization in South Carolina, provides the following recommendations to improve the proposed Nonprofit Organization Loan Programs:</p> <ol style="list-style-type: none"> 1. Loan Forgiveness: The Federal Reserve, either on its own or working with Congress, must recognize the extent to which the public and economy rely on the vital services nonprofits provide to communities and the economy by creating a forgivable loan program. 2. 50-Employee Floor: The Nonprofit Organization Loan programs must be revised to remove the 50-employee floor. 3. 30% Donations Cap: It is essential that the Federal Reserve eliminate the requirement that no more than 30 percent of an organization's 2019 revenues come from donations. 4. Loan Terms: Recognizing the unique nature of nonprofit operations and their importance in continuing to provide vital services as partners on the frontlines of the COVID-19 crisis, we urge the Federal Reserve to eliminate the liquidity and debt ratio provisions in the loan requirements. We also recommend lower interest rates in line with other nonprofit loan programs and a seven-year amortization. 5. Revising EBITA Ratio: The 5 percent requirement should be reduced to zero, if not eliminated. Further, nonprofit borrowers should be allowed to provide a statement of explanation of a deficit so that a negative ratio does not mean automatic ineligibility. Finally, clarification is needed on the calculation methodology - in the context of nonprofit operating budgets - regarding both restricted funding from grants in annual operating budgets and capital funds for improvements. 6. Clarifying Employee Retention Requirements: The term "mission-based" should be inserted before "reasonable efforts" to tailor employee retention requirements to the realities of nonprofit operations. The Employee retention requirements should also apply based on employment levels on the date of loan origination. The reasonable safe harbor provisions of the Paycheck Protection Program Flexibility Act should be extended to this loan program. 7. Additional Questions Recommendations: <ul style="list-style-type: none"> o Endowment: What resources should be included in endowment calculations? Does it include restricted endowments? Does it extend to include cash on hand? o Collateral: Flexibility on collateral is requested. The loan should be available with no more than 50 percent Loan to Value (LTV) if collateral is needed. o Other Debts: The proposal to restrict paying off existing loans should exclude lines of credit and other debt that are assumed to provide financial liquidity related to the impact of COVID-19. <p>The details of these recommendations are discussed in the set of comments submitted by the National Council of Nonprofits (https://www.councilofnonprofits.org/sites/default/files/documents/national-council-of-nonprofits-comments-to-nonlf-and-noelf-6-21-2020.pdf), which Together SC endorses and incorporates here by reference.</p>

Main Street Lending Program
Nonprofit Organizations Comments

Event Title / Description	Ticket Type	Received Date	Last Name	First Name	Email Address	Affiliation	Comment
Main Street Lending Program - NONLF and NOELF	PIO (E-mail)	6/22/2020 12:00:00 AM	Walter	David	dwalter@crtc-wa.org		<p>Hello, &nbsp;</p> <p>The Composite Recycling Technology Center (CRTC) fully supports the idea of including not for profits in the Main Street Lending Programs. &nbsp; 501(c)3's like the CRTC have been hit hard by the pandemic and need assistance in order to recover and get back on our feet again. &nbsp;</p> <p>I have 3 upgrades to the program for your consideration: &nbsp;</p> <p>1. Years in Operation: At least 5 years - I would like to see this be set at 3 years for the minimum. &nbsp; Newer not for profits are likely going to need more help than better established entities. &nbsp; 3 years seems like a decent compromise by avoiding brand new not for profits but being more inclusive for those who are at least established and have proved their ability to operate for 3 or more years. &nbsp;</p> <p>2. Employee Min/Max: Employees fewer than 15,000 and greater than 50 - The 15,000 max is fine but the minimum threshold is too high at 50. &nbsp; There are many fine not for profits that are doing great work with less. &nbsp; Also, many not for profits have a mix of employees and contractors, so the definition of an employee should include part time and full time contractors. &nbsp; Not for profits have to be efficient and use our donors resources wisely, so it does not seem fair to only offer the program to those entities that are large. &nbsp; I propose a minimum of 10 employees. &nbsp; It is enough to be of legitimate size but not so high as to eliminate many smaller not for profits. &nbsp;</p> <p>3. Revenue cap and source requirement: 2019 Revenues less than \$5 billion, with less than 30% sourced from donations - I am OK with a max of less than 5 billion although it seems quite high. &nbsp; Why does the donation percentage need to be so low at 30% or less? &nbsp; This will exclude many not for profits that are mainly donation sourced. &nbsp; I am not clear why the percentage is critical to the Fed. &nbsp; Whether a not for profit gets the majority of their income from donations or not, should not influence their worthiness to participate in the program. &nbsp; I would like to see the max donation percentage eliminated. &nbsp; If that is not doable then it should be raised to at least 75%. &nbsp;</p> <p>The CRTC is anxious to participate in this program and we could really use the loan but we would be excluded as we have been in operation for only 4 years (rejects us based on item #1 above), we only have 15 employees (rejects us based on item #2 above) and about 60% of our revenue comes from donations (rejects us based on item #3 above). &nbsp;</p> <p>Thank you for the opportunity to share our perspective. &nbsp; We hope you will consider these adjustments as it sounds like a great program that would be help many not for profits to be able to survive and make it to the other side of this pandemic. &nbsp;</p> <p>David L. Walter Chief Executive Officer Composite Recycling Technology Center &nbsp; &nbsp; 2220 West 18th St. Port Angeles, WA &nbsp; 98363 dwalter@CRTC-WA .org[mailto :dwalter@CRTC-WA .org] 360-819-1203 (office)</p>

Main Street Lending Program
Nonprofit Organizations Comments

Event Title / Description	Ticket Type	Received Date	Last Name	First Name	Email Address	Affiliation	Comment
Staff Group - Main Street Lending Program - Nonprofit Organization Facilities	PIO (Email from Web)	6/22/2020 12:00:00 AM	Weiss	Ilana	ilana.weiss@respect2all.org	RESPECT	<p>RESPECT is a nonprofit organization located in Omaha, Nebraska utilizing interactive theatre to educate about mental health, child abuse, bullying, and healthy relationships. We reach 30,000 participants each year with hundreds of schools, teachers and counselors relying upon us to fill needs in their counseling curriculum. Our organization has about ten employees and we are rapidly adapting to meet the needs of our audiences in ways that can be done safely during the pandemic. Our audiences have limited budgets of their own to provide educational and youth services through schools and organizations. We therefore rely heavily upon foundation and donor support to fulfill our mission so that no student or school should be without our services due to cost. The uncertainty regarding the ability for donors to give their usual amounts may mean that we need to reduce services and reduce staff if ways that would harm our community.</p> <p>RESPECT appreciates the opportunity to submit comment to the Federal Reserve about the Nonprofit Organization Loan Facilities. This proposal is aimed more at transactional nonprofits such as hospitals and institutions of higher ed than at nonprofits like RESPECT that have a larger reliance on donations from the public to support their missions. Indeed, many nonprofits pride themselves on offering their services at no charge. Recognizing that their business models are different, even if both types of charities are inherently organized around a public mission, many of the financial requirements included in this proposal simply are not applicable to organizations that rely on donations. With that in mind, RESPECT respectfully requests the Federal Reserve to address the concerns and proposed changes outlined below.</p> <p>1. Congress Must Act to Ensure Mid-Sized Nonprofits are Eligible for Loan Forgiveness Congress must ensure that mid-sized nonprofits have access to loan forgiveness. While it is a welcome development to see the Federal Reserve making its Main Street lending program available to some nonprofits, this assistance still falls short of what is most needed by nonprofit organizations - a provision that makes these loans forgivable.</p> <p>In this critical time, nonprofits have stepped up to meet the unprecedented level of need in our country due to the COVID-19 pandemic. Even though they face many of the same economic challenges as other industries, nonprofits are not shutting down. Rather, they are straining to meet increasing demands in our communities on the frontlines, caring for the sick, feeding families, and keeping our communities connected. Furthermore, they will play an integral role as our nation recovers - providing child care, job training, and other core supports.</p> <p>Charitable nonprofits of all sizes and focus areas are struggling to maintain mission-critical operations despite enormous economic challenges. Data released by Independent Sector shows that nonprofits with between 500 to 5,000 employees, key to scaling relief efforts across the nation, have been severely impacted by this health and economic crisis. When asked "What types of additional assistance would be most helpful to your organization?" organizations overwhelmingly (92% of responses) suggested government support in the form of forgivable loans. Smaller nonprofits throughout the country have been hit equally hard.</p> <p>Nonprofit organizations need funding so they can continue to meet the needs of their communities. Many charitable organizations do not have steady streams of commercial income and have little capacity for loan and interest repayment. Furthermore, nonprofits are the third largest employment sector and many hope to hire more workers as their organizations recover. America cannot afford to leave out such a vital part of the economy.</p> <p>Recommendation: Congress must recognize the vital services nonprofits provide to communities and the economy by including loan forgiveness, in the next round of COVID-19 relief legislation</p> <p>2. The Fed's Proposal to Limit Loans to Mid-Size Nonprofits with Less than 30% of Revenue from Donations Disqualifies Many in Charitable Sector The Federal Reserve's criteria that organizations must have revenues from donations that are less than 30% disqualify many charities, including RESPECT. Overall, this loan facility seems more applicable to for-profit entities, as well as educational institutions and nonprofit hospitals, but not most charitable organizations. RESPECT received 88% from donations in 2019.</p> <p>We raise money and receives donations from the public, foundations, corporations and others to fund in school and out-of-school programs about mental health, relationships, child abuse, and bullying, and we do not receive a significant amount of funding through direct services. Charitable organizations play a fundamental role in strengthening civil society. Our organizations provide vital services for 30,000 children each year in need of understanding how to find resources and help to address these challenges the nation, and pride ourselves on the donations we receive rooted in the trust and support that the public has of the sector.</p> <p>Recommendation: Eliminate the requirement that no more than 30 percent of an organization's 2019 revenues come from donations, and instead make 501(c)(3) organizations that are otherwise meet the employee size are eligible.</p>

Main Street Lending Program
Nonprofit Organizations Comments

Event Title / Description	Ticket Type	Received Date	Last Name	First Name	Email Address	Affiliation	Comment
							<p>3. The Fed Needs to Make Loan Terms More Favorable to Charitable Organizations The draft Nonprofit Loan Facility imposes certain liquidity, asset, and reserve requirements that are not required in Main Street New Loan Facilities available to for-profit businesses.</p> <p>Nonprofit organizations typically provide services with low-profit margins. Indeed, social service organizations report an average aggregate margin of 1.5%. According to a recent report by Seachange Capital Partners, the median social services nonprofit has a margin of 1.0%, receives 3.6% of its revenue from philanthropy (including investment income), has total financial assets (including endowments and other assets that are subject to legal restrictions) equal to 1.9 months of expenses, and operating reserves of less than one month of expenses. Less than 20% of large nonprofits have 6 months or more of operating reserves, a widely accepted standard for “financial strength” for nonprofits. Social services organizations are the most fragile, with fewer than 10% reaching this standard.</p> <p>The statistics above should not be viewed as an indictment of the efficiencies or management policies of nonprofits. It is important to note that the vast majority of social service nonprofit funding comes from government grants contracts, recognizing the key role such organizations play in serving the most vulnerable. Numerous studies confirm that government funding seldom covers the full cost of providing contracted work, which inhibits nonprofits from accumulating reserves through surpluses. In many instances, government grant/contract work creates cash-flow challenges since it is paid after the work has been completed and can be subject to significant delays in payment.</p> <p>Recommendation: Recognizing the unique nature of nonprofit operations and their importance in continuing to provide vital services as partners on the front lines of the COVID-19 crisis, we urge the Federal Reserve to eliminate borrower requirements 7 and 8. If this is not possible, we alternatively ask that the requirements be lessened significantly to reflect the economic realities of nonprofit operations, for example by requiring only 30 days cash on hand, and bringing the loan origination ratio of 40-50% (down from 65% as proposed).</p> <p>We are also concerned that certain eligible loan features are too onerous for nonprofit organizations and are less favorable than those offered in other government programs. Specifically, the interest rate of LIBOR plus 300 basis points is significantly higher than that offered for Paycheck Protection Program (“PPP”) Loans (1.0%) and that for Economic Injury Disaster Loans (2.75%). In addition, the imposition of loan origination and service fees adds to the cost under the Nonprofit Facility. Finally, the notion that nonprofits would be faced with a 70% balloon payment at the end of the fifth year of the loan would be off-putting for many nonprofits. Nonprofits with existing loans with balloon payments are usually provided an opportunity to renegotiate such loans at prevailing market rates.</p> <p>Recommendation: We urge that the loan terms including interest rate and balloon payments be revisited and recommend the lowest permissible rate such as the 0.5% rate initially proposed for PPP loans. In addition, we urge some flexibility in the balloon payment requirement to afford the opportunity for renegotiation. If the 5-year amortization were extended to 7 years, this could lessen the balloon payment. We request that the borrower have access to engage with derivatives (change to a fixed rate) without the minimum swap requirements.</p> <p>4. The Ratio of Adjusted 2019 Earnings before “EBIDA” Should Be Revised In the “Draft for Public Consultation,” for both the Nonprofit Organization New Loan Facility and the Nonprofit Organization Expanded Loan Facility, one of the eligibility criteria for borrowers is that they must have “a ratio of adjusted 2019 earnings before interest, depreciation, and amortization (“EBIDA”) to unrestricted 2019 operating revenue, greater than or equal to 5%.” (#6) In the context of nonprofit operations, this threshold is too high and would make many, if not most, nonprofits ineligible based on these criteria alone, which seems written more in the context of for-profit businesses as opposed to nonprofit organizations.</p> <p>It may certainly be prudent and necessary to have a positive ratio of adjusted earnings; however, nonprofits generally run on a small margin, both out of necessity and also so as to not leave excess surpluses that could be used for fulfilling their missions. Moreover, at times a nonprofit may have a planned and manageable deficit as part of a strategic plan-a negative ratio at one isolated point is not always an indication of instability.</p> <p>Furthermore, the footnotes for criteria #6 clarify that “The Eligible Lender should calculate operating revenue as unrestricted operating revenue, excluding funds committed to be spent on capital.” Many nonprofits have “restricted revenue” through grants and contracts built into their operating budgets. Excluding this revenue would compound the problem of meeting the 5% ratio. Although it would be sensible to exclude contributions raised for a “capital campaign,” excluding other capital funds included in an annual budget for maintenance and planned upgrades would further decrease the required ratio.</p>

Main Street Lending Program
Nonprofit Organizations Comments

Event Title / Description	Ticket Type	Received Date	Last Name	First Name	Email Address	Affiliation	Comment
							<p>Recommendation: The 5% requirement should be reduced to zero, if not eliminated. In addition, a statement of explanation of a deficit should be allowed so that a negative ratio does not mean automatic ineligibility for a nonprofit borrower. Finally, further clarification on the calculation methodology -in the context of nonprofit operating budgets- is needed in regard to both restricted funding from grants in annual operating budgets, as well as capital funds for improvements that are part of an annual operating budget. This clarification would allow noted revenues to remain in calculation to ease the restriction and not further restrict eligibility.</p> <p>5. "Reasonable Efforts" Regarding Employee Retention Require Further Clarification The description of "Retaining Employees" in the draft term sheet requires refinement if the Federal Reserve expects nonprofits to take advantage of this facility. We endorse the analysis of the National Council of Nonprofits on the issue of employee retention, and recommend the following:</p> <p>Recommendation: "Reasonable efforts" should be interpreted in the totality of the circumstances, taking into consideration not only the general economic environment in the community or communities in which the borrower operates, but also factors such as workforce, fundraising ability, revenue-generating activities, and overall demand for the services and programs the organization provides. One option would be to add the qualifier "mission-based" before "reasonable efforts."</p> <p>Recommendation: The terms "maintain its payroll" and "retain its employees" are vague and need further refinement. We ask the Federal Reserve to make clear that nonprofits participating in the Main Street loan program generally should endeavor to pay staff at the same or increased income levels and should act in good faith to keep staffing levels (measured on the basis of full-time equivalents) at the same or increased levels, both for the duration of the loan. It is also important that the loan documents expressly state that the employee retention provision begins on the date that loan funding is received by the borrower rather than at an earlier date.</p> <p>Recommendation: We ask that the Federal Reserve adopt safe harbors of other loan programs and state clearly that nonprofit borrowers will not be penalized under the employee retention provision for the decision of employees to decline offers of rehire, or for those who are fired for cause, voluntarily resign, or voluntarily request a reduced schedule during the time that the loan is outstanding.</p> <p>6. Limitation of 50-Employee Minimum Should Be Removed The term sheet for the proposed nonprofit loan facility imposes a size minimum that is not imposed in the Main Street New, Priority, or Expanded Loan Facilities for for-profit businesses. There is no explanation why the Federal Reserve is proposing that nonprofits with fewer than 50 employees should not be eligible for Main Street loans for which their small business counterparts of equal size could secure lending support.</p> <p>Recommendation: The 50-employee floor should be removed.</p> <p>7. Additional Recommendations and Requests for Clarification RESPECT respectfully requests the Federal Reserve clarify the following issues in its final expansion notice. Endowment: What resources should be included in endowment calculations? Does it include restricted endowments? Does it extend to include cash on hand? Collateral: Flexibility on collateral is requested. The loan should be able to be approved with no more than 50% Loan to Value (LTV) if collateral is needed. Other Debts: The proposal requires that borrowers, "refrain from repaying the principal balance of, or paying any interest on, any debt until the Eligible Loan is repaid in full, unless the debt or interest payment is mandatory and due." We request that this exclude lines of credit and other debt that are assumed to provide financial liquidity related to the impact of COVID-19.</p>

Main Street Lending Program
Nonprofit Organizations Comments

Event Title / Description	Ticket Type	Received Date	Last Name	First Name	Email Address	Affiliation	Comment
Staff Group - Main Street Lending Program - Nonprofit Organization Facilities	PIO (Email from Web)	6/22/2020 12:00:00 AM	Clore	Danielle	danielle@kynonprofits.org	Kentucky Nonprofit Network	<p>Comments to the Federal Reserve regarding the proposed Main Street Lending Program for nonprofit organizations - NONLF and NOELF</p> <p>Kentucky Nonprofit Network provides the following recommendations to improve the proposed Nonprofit Organization Loan Programs:</p> <ol style="list-style-type: none"> 1. Loan Forgiveness: The Federal Reserve, either on its own or working with Congress, must recognize the extent to which the public and economy rely on the vital services nonprofits provide to communities and the economy by creating a forgivable loan program. 2. 50-Employee Floor: The Nonprofit Organization Loan programs must be revised to remove the 50-employee floor. 3. 30% Donations Cap: It is essential that the Federal Reserve eliminate the requirement that no more than 30 percent of an organization's 2019 revenues come from donations. 4. Loan Terms: Recognizing the unique nature of nonprofit operations and their importance in continuing to provide vital services as partners on the frontlines of the COVID-19 crisis, we urge the Federal Reserve to eliminate the liquidity and debt ratio provisions in the loan requirements. We also recommend lower interest rates in line with other nonprofit loan programs and a seven-year amortization. 5. Revising EBITA Ratio: The 5 percent requirement should be reduced to zero, if not eliminated. Further, nonprofit borrowers should be allowed to provide a statement of explanation of a deficit so that a negative ratio does not mean automatic ineligibility. Finally, clarification is needed on the calculation methodology - in the context of nonprofit operating budgets - regarding both restricted funding from grants in annual operating budgets and capital funds for improvements. 6. Clarifying Employee Retention Requirements: The term "mission-based" should be inserted before "reasonable efforts" to tailor employee retention requirements to the realities of nonprofit operations. The Employee retention requirements should also apply based on employment levels on the date of loan origination. The reasonable safe harbor provisions of the Paycheck Protection Program Flexibility Act should be extended to this loan program. 7. Additional Questions Recommendations: <ul style="list-style-type: none"> o Endowment: What resources should be included in endowment calculations? Does it include restricted endowments? Does it extend to include cash on hand? o Collateral: Flexibility on collateral is requested. The loan should be available with no more than 50 percent Loan to Value (LTV) if collateral is needed. o Other Debts: The proposal to restrict paying off existing loans should exclude lines of credit and other debt that are assumed to provide financial liquidity related to the impact of COVID-19. <p>The details of these recommendations are discussed in the set of comments submitted by the National Council of Nonprofits, which Kentucky Nonprofit Network endorses and incorporates here by reference.</p>
Staff Group - Main Street Lending Program - Nonprofit Organization Facilities	PIO (Email from Web)	6/22/2020 12:00:00 AM	Kelsey	Daniel	dkelsey@ahra.org	American Healthcare Radiology Administrators, Inc	<p>Expanding access to Main Street Lending Program for non-profit organizations is welcome news and much appreciated. However limiting this access to organizations that are 501c3 or 501c19 is disappointing,. Many nonprofit organizations (in particular Professional Associations) have a 501c6 tax exempt designation.</p> <p>Associations have been particularly hard hit financially by COVID-19 due to the cancelation of their in-person meetings. The in-person meetings and conferences are a major source of revenue for these nonprofit Associations and the lost revenue they are experiencing is creating tremendous financial hardship. While some are able to replicate the educational component of the meeting via a virtual platform, the lost revenue from vendor support cannot be replaced. I strongly urge you to consider making these Main Street loans available to nonprofit organizations that have a 501c6 tax status.</p> <p>Your consideration of this recommendation is appreciated.</p>

Main Street Lending Program
Nonprofit Organizations Comments

Event Title / Description	Ticket Type	Received Date	Last Name	First Name	Email Address	Affiliation	Comment
Staff Group - Main Street Lending Program - Nonprofit Organization Facilities	PIO (Email from Web)	6/22/2020 12:00:00 AM	Nepshesh	Tsiporah	tsiporah@nmth rives.org	New Mexico Thrives	<p>New Mexico Thrives provides the following recommendations to improve the proposed Nonprofit Organization Loan Programs:</p> <ol style="list-style-type: none"> 1. Loan Forgiveness: The Federal Reserve, either on its own or working with Congress, must recognize the extent to which the public and economy rely on the vital services nonprofits provide to communities and the economy by creating a forgivable loan program. 2. 50-Employee Floor: The Nonprofit Organization Loan programs must be revised to remove the 50-employee floor. The majority of New Mexico nonprofits are small to midsize. 3. 30% Donations Cap: It is essential that the Federal Reserve eliminate the requirement that no more than 30 percent of an organization's 2019 revenues come from donations. 4. Loan Terms: Recognizing the unique nature of nonprofit operations and their importance in continuing to provide vital services as partners on the frontlines of the COVID-19 crisis, we urge the Federal Reserve to eliminate the liquidity and debt ratio provisions in the loan requirements. We also recommend lower interest rates in line with other nonprofit loan programs and a seven-year amortization. 5. Revising EBITA Ratio: The 5 percent requirement should be reduced to zero, if not eliminated. Further, nonprofit borrowers should be allowed to provide a statement of explanation of a deficit so that a negative ratio does not mean automatic ineligibility. Finally, clarification is needed on the calculation methodology - in the context of nonprofit operating budgets - regarding both restricted funding from grants in annual operating budgets and capital funds for improvements. 6. Clarifying Employee Retention Requirements: The term "mission-based" should be inserted before "reasonable efforts" to tailor employee retention requirements to the realities of nonprofit operations. The Employee retention requirements should also apply based on employment levels on the date of loan origination. The reasonable safe harbor provisions of the Paycheck Protection Program Flexibility Act should be extended to this loan program. 7. Additional Questions Recommendations: <ul style="list-style-type: none"> o Endowment: What resources should be included in endowment calculations? Does it include restricted endowments? Does it extend to include cash on hand? o Collateral: Flexibility on collateral is requested. The loan should be available with no more than 50 percent Loan to Value (LTV) if collateral is needed. o Other Debts: The proposal to restrict paying off existing loans should exclude lines of credit and other debt that are assumed to provide financial liquidity related to the impact of COVID-19. <p>The details of these recommendations are discussed in the set of comments submitted by the National Council of Nonprofits, which New Mexico Thrives endorses and incorporates here by reference.</p> <p>Thank you. Tsiporah Nepshesh</p>
Other: Economic Data	PIO (Email from Web)	6/22/2020 12:00:00 AM	Brown-May	Tracy	mayt@opportu nityvillage.org	Opportunity Village	<p>We implore you to include mid-size nonprofit organizations with multiple locations as able participants into the Paycheck Protection Program as forgivable loan recipients. Nonprofit organizations are working across our country to keep communities connected throughout this unrepresented time.</p> <p>Exhausted, frustrated, alone, and at risk of unemployment; that is how it feels for members of the disability community who have seen little relief throughout this pandemic. These are people who will experience the most difficult recovery from unemployment, and many may never find a job again. This community needs help and the nonprofit organizations serving them across this country are stepping up to do the work. We cannot do it alone.</p> <p>As a critical part of our community's safety net, we understand the demands are great and the resources few. People with disabilities are not castaways of society - they deserve to be supported and that means providing the infrastructure necessary to see them through. While there has been a concerted effort to provide relief from the economic devastation of this pandemic, the non-profit sector and people with disabilities has yet to be recognized.</p> <p>Opportunity Village is, by SBA definition, a mid-size organization. We actively maintain approximately 750 employees; many of whom have disabilities. Our mission is to train and employ people who have the most significant barriers to employment. The organization has five address locations throughout southern Nevada and is doing everything possible to maintain employment for all of the people on its rolls. We need help to make sure our employees have a place to work tomorrow, next week, and far into the future.</p> <p>We understand the needs are many. People with disabilities are an important part to our integrated community. We implore you; include mid-</p>

Main Street Lending Program
Nonprofit Organizations Comments

Event Title / Description	Ticket Type	Received Date	Last Name	First Name	Email Address	Affiliation	Comment
							size nonprofit organizations with multiple locations as able participants into the Paycheck Protection Program as forgivable loan recipients. Our payroll is essential to ensuring the fabric of communities across the country. We need your help.
Coronavirus (COVID-19)	PIO (Email from Web)	6/22/2020 12:00:00 AM	Haefner	April	ahaefner@thomchild.org	Thom Child & Family Services	<p>To Whom It May Concern:</p> <p>The non-profit agency I work in has a 100 year history of helping families in Massachusetts. Last year, we delivered home visiting services to over 15,000 infants and toddlers. Our skilled staff of 864 professionals made this possible. And yet, because there are more than 500 of us, we were left without support for sick leave, paycheck protection, and forgivable loans. We are held to different criteria for the employee retention credit. We are left out of the economic stimulus that is essential for our organization's survival.</p> <p>The lack of cash flow to our agency and others like ours has led to job loss and has delayed job creation. The longer term impact is that communities, families, and our service sector will suffer for decades. Across the country, programs like ours are closing, furloughing staff, and stopping services to children who need our help.</p> <p>With access to favorable lending terms and with the same stimulus funding that was offered to smaller non-profits, we could start calling back to work our furloughed staff of nurses, therapists, speech-language pathologists, educators, social workers and other skilled specialists and administrators. We could continue to support children and families. We could avoid an erosion of our social service sector. We need immediate action. Non-profit agencies of our size must be included in the Main Street Lending Program and any subsequent mid-size loan programs. Please act now to help us restore our work force and services for infants and toddlers and their families.</p> <p>Respectfully, April Haefner</p>