

**Communication to the Federal Reserve Board from Lutheran Services in America on the “Main Street” lending facility and nonprofit eligibility**

We write to you today on behalf of [Lutheran Services in America](#) and the one in 50 Americans who rely on the 300 Lutheran health and human services providers throughout the United States that comprise our network. As the Treasury Department, along with the Federal Reserve, continues to create the program as directed under the CARES Act section 4003(c)(3)(D) to provide financing to banks and other lenders to make loans to entities with between 500-10,000 employees, we urge you to ensure that nonprofits are eligible for these loans.

We thank the Federal Reserve Board for indicating earlier this week in newly released materials about part of this program, the Main Street Lending Program, that you recognize the critical role that nonprofit organizations play throughout the economy and that you are evaluating a separate approach to meet our unique needs. Given that Section 4003 provides the authority to allow nonprofits to participate in this lending program, we hope that you will consider including them in the next round.

The COVID-19 pandemic is dramatically affecting all of the people we serve and services we provide. Our 300 health and human service organizations are on the frontlines caring for people while taking extraordinary steps to protect their staff and people served. Yet they increasingly struggle with equipment shortages, especially personal protective equipment; severe workforce shortages necessitating hazard pay; declining revenue; and the need to reduce or eliminate needed services. These severe challenges are occurring while our organizations simultaneously face limited cash reserves, decreasing revenue and already-tight margins.

At the same time, many of our member organizations employ more than 500 people and thus have not been able to access the Paycheck Protection Program. Without specific support for nonprofit health and human service organizations with over 500 employees via this loan program during this time of crisis, including priority access and very low interest rates, we will be unable to meet the increasing needs of individuals and communities at their most vulnerable time.

In addition to access to the Main Street Lending Program, [we are asking Congress to address the following priorities](#) in future legislation related to coronavirus financial relief:

- Access to forgivable loans for nonprofits with over 500 employees
- 100% reimbursement of the cost of unemployment insurance benefits paid by nonprofits who self-fund these benefits.
- \$100 billion in targeted financial resources for nonprofit front line health and human services providers
- \$2 billion in additional funding for vulnerable youth and children.

We appreciate the opportunity to share our thoughts with you.