



Lutheran  
Services  
in America

The Honorable Jerome Powell  
Chairman  
The Board of Governors of the Federal Reserve System  
20th Street and Constitution Avenue N.W.  
Washington, DC 20551

June 19, 2020

Dear Mr. Powell:

On behalf of the one in 50 Americans who rely on the 300 Lutheran health and human services providers throughout the United States that comprise [Lutheran Services in America](#), I write to you today to thank you for inviting comments on the proposal to include nonprofits as eligible participants in the Main Street Lending Program. At the same time, I urge you to support additional changes to the program, including of utmost importance, making these loans forgivable for nonprofit health and human service organizations including larger nonprofits, which will ensure this program is of the most possible benefit to nonprofits on the front lines of the pandemic and the countless people throughout America they serve.

With the active presence of the Lutheran Services in America network in over 1,400 communities in 45 states as seen [on this map](#), our work is critically important in improving the lives of America's most vulnerable people, ranging from seniors, veterans and people with disabilities to children, youth and families, and the homeless.

Our work is deeply embedded in communities across the country where we have provided services for over 150 years. The COVID-19 pandemic dramatically affects all of the people we serve and the services we provide. Our 300 health and human service organizations are on the front lines 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 and testing resources; severe workforce shortages necessitating hazard and overtime pay; and the need to reduce or



eliminate much-needed services. These severe challenges are occurring while our organizations simultaneously face limited cash reserves and already-tight margins.

The work of our national network at Lutheran Services in America—which comprises a significant part of America’s health and human services delivery system—cannot continue without specific measures taken soon to support nonprofit health and human service organizations with over 500 employees. At the same time, many of our member organizations employ more than 500 people and thus have not been able to access the existing Paycheck Protection Program. Without specific support for nonprofit health and human service organizations with over 500 employees via the Main Street Loan Program during this crisis, including priority access, zero percent interest rates, and loan forgiveness, we will be unable to meet the increasing needs of individuals and communities at their most vulnerable time.

Therefore, while we thank the Federal Reserve Board for recognizing the critical role that nonprofit organizations play throughout the economy, and using the authority granted by Section 4003 of the Coronavirus Aid, Relief, and Economic Security (CARES) Act to propose including nonprofits as eligible borrowers under this loan program, this proposal still unfortunately falls far short of what is most needed by nonprofit organizations. We urge you to make or support the following changes to this proposal:

- 1) Recognizing that the Federal Reserve Board cannot grant loan forgiveness under its own authority, support a call to Congress to pass legislation ensuring that nonprofits with more than 500 employees have access to forgivable loans under this program. Loan forgiveness has been and remains central to the sustainability of many of our front line, community-based organizations that have no capacity for loan, interest and balloon repayments. America simply cannot afford to leave out such a vital part of the nonprofit community.
- 2) In the absence of loan forgiveness, offer loans at zero-percent interest to nonprofits in recognition of the unique nature of nonprofit operations and their importance in continuing to provide vital services as partners during the COVID-19 crisis.
- 3) Grant priority access to these loans to nonprofits, especially those on the front lines providing health care and human services during this pandemic.



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Thank you in advance for giving your time and rapid attention to this crucial issue. Our over 300 health and human services organizations and the one in 50 Americans we serve each year are counting on you during this unprecedented time of crisis.

Respectfully,

Charlotte Haberaecker  
President and CEO