



June 22, 2020

Mr. Jerome H. Powell
Chairman
Board of Governors of the Federal Reserve System
20th Street and Constitution NW
Washington, D.C. 20551

RE: Main Street Lending Program – NONLF and NOELF

Dear Chairman Powell:

United Philanthropy Forum, along with the undersigned philanthropy-serving organizations, respectfully submits the following comments to the Federal Reserve System in response to “a proposal to expand its Main Street Lending Program to provide access to credit for nonprofit organizations,” as published in the Federal Reserve press release on June 15, 2020. We ask the Board of Governors of the Federal Reserve System to consider including a provision in your proposal that makes loans forgivable for nonprofits.

United Philanthropy Forum (The Forum) is the largest and most diverse network in American philanthropy, holding a unique position in the social sector to help increase philanthropy’s impact in communities across the country. We are a membership organization of 86 regional and national philanthropy-serving organizations, representing more than 7,000 foundations and other funders that work to make philanthropy better. The Forum envisions a courageous philanthropic sector that catalyzes a just and equitable society where all can participate and prosper.

As an organization representing the philanthropic sector, our members understand the important role charitable nonprofits play in today’s society. During this global pandemic, charitable nonprofits have spearheaded efforts to help families in communities across the country, often on the frontlines in meeting basic needs like food, shelter and health care. As we head into the fifth month of this pandemic—with no end in sight—many nonprofits’ resources have been stretched thin or exhausted. According to a [recent survey](#) done by Independent Sector, 83% of mid-sized nonprofit organizations have experienced a reduction in revenue due to COVID-19, with 71% of those organizations having to scale back their services as a result.

In the aforementioned survey, it is important to note that mid-sized nonprofit organizations are defined as organizations with between 500-5000 employees. With nonprofits of that size being severely injured by this pandemic, smaller nonprofits are barely hanging on. 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.

Moreover, these nonprofits are often led by and serve communities of color, communities hardest hit by the COVID-19 pandemic.



The Forum agrees with your statement in the press release, that “nonprofits provide vital services across the country.” As such, it is important that nonprofits have access to relief that keeps those vital services going at a time when they are needed more than ever. Earlier this year, the Forum [signed on to a letter](#) after the passage of the CARES Act, asking Congress to implement a loan program for nonprofits that includes a provision for loan forgiveness.

Likewise, we are encouraged the Federal Reserve System has proposed to expand its Main Street Lending Program to provide access to credit for nonprofit organizations. However, charitable nonprofits and the communities they serve won’t fully be able to benefit from the program without a loan forgiveness provision and if the program excludes nonprofits that often serve communities of color.

The Forum and the undersigned organizations encourages the Federal Reserve System to include a loan forgiveness provision and not to exclude nonprofits with less than 50 employees in the Main Street Lending Program to provide access to credit for nonprofit organizations. Similarly, we encourage Congress to include these changes, in the next round of COVID-19 relief legislation.

If you have any questions and/or concerns, please feel to contact Forum Director of Public Policy, Matthew L. Evans at matthew@unitedphilforum.org.

Sincerely,

Dave Biemesderfer

President and CEO

[United Philanthropy Forum](#)

On behalf of Forum members, including the following organizations:

[Council of Michigan Foundations](#)

Grand Haven, MI

[Council of New Jersey Grantmakers](#)

Trenton, New Jersey

[Florida Philanthropic Network](#)

Tampa, Florida

[Forefront \(Illinois\)](#)

Chicago, Illinois

[Grantmakers in the Arts](#)

Bronx, New York



[Iowa Council of Foundations](#)

Des Moines, Iowa

[Maine Philanthropy Center](#)

Portland, Maine

[Minnesota Council on Foundations](#)

Minneapolis, Minnesota

[Orange County Grantmakers](#)

Newport Beach, CA

[Philanthropy California](#)

An alliance of [Northern California Grantmakers](#), [Southern California Grantmakers](#), and [San Diego Grantmakers](#)

[Philanthropy Ohio](#)

Columbus, Ohio

[Philanthropy Southwest](#)

Dallas, Texas