

April 16, 2020

To: The Federal Reserve - Mainstreet Lending Comments - via regs.comments@federalreserve.gov

On behalf of the League of American Orchestras, we thank the Federal Reserve for this comment opportunity.

We request immediate revisions to enable 501(c)(3) nonprofit eligibility for the Mainstreet Lending facilities and adoption of loan calculations suitable to nonprofits. This near-term opportunity for businesses of up to 10,000 employees could provide a critical form of support for nonprofit organizations unable to access the Paycheck Protection Program, and in urgent need of resources to support their workforce and services to the public.

We also request that future lending programs created in response to Section 4003(c)(3)(D) of the CARES Act:

- Include a 0% interest rate or, at most, a .50% rate (50 basis points) for 501(c)(3) nonprofits at a 5-year amortization
- Defer payments until two years after a direct loan is made
- Require lenders to make a proportionate number and value of loans available to nonprofits
- Begin any employee retention provisions on the date loan funding is received by the borrower
- Define “workforce” as full-time employees or full-time equivalents in any workforce restoration and retention provisions.

As a vibrant part of the charitable sector, our nation’s more than 1,600 nonprofit orchestras rely on philanthropy and event-dependent income to fuel programs that serve community needs and support a dynamic workforce. Both sources of revenue are severely constricted in the wake of the COVID-19 crisis. We urge consideration of loan eligibility – and forgivability - as the Federal Reserve takes further action. Orchestras and the broader nonprofit sector are critical partners in jump-starting local, state, and national recovery efforts during and after COVID-19, and should be supported by all forms of relief.



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President & CEO