



April 16, 2020

To: The Board of Governors of the United States Federal Reserve System

Re: Comments regarding the "Main Street" Lending Facility and the Paycheck Protection Program
via electronic submission

The CT Community Nonprofit Alliance (The Alliance) is the statewide association of community nonprofit in Connecticut.

Many nonprofit organizations who have been excluded from the critical benefits of the Paycheck Protection Program, simply because they employ more than 500 in their workforce. The Paycheck Protection Program contains loan forgiveness provisions that are critical to these organizations, and necessary to help ensure they will be able to continue to provide services during the crisis and assist with our nation's recovery efforts when the crisis is over.

We appreciate the efforts of the Treasury Department, to create a program as directed under the CARES Act section 4003(c)(3)(D), to provide financing to banks and other lenders to make loans to nonprofits and other mid-size business of between 500–10,000 employees. As you proceed, we request that the program include a 0.50% interest rate (50 basis points) for 501(c)(3) charitable nonprofits at a 5-year amortization. In addition, please provide priority to 501(c)(3) charitable nonprofits responding to COVID-19 relief efforts. We recommend that the payments should not be due until two years after a direct loan is made. As you are likely aware, employee retention has been a critical concern for nonprofit providers. We recommend that the employee retention provisions should begin on the date that loan funding is received by the borrower. Finally, we recommend that upon implementing any workforce restoration and retention provisions, "workforce" should be defined as full-time employees or full-time equivalents.

Sincerely,

Gian-Carl Casa
President & CEO