



EXECUTIVE VICE PRESIDENT—
CHIEF FINANCIAL OFFICER

OFFICE OF THE PRESIDENT
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April 16, 2020

Board of Governors of the Federal Reserve System
20th Street and Constitution Avenue NW
Washington, DC 20551

Re: Comments on the Main Street Lending Program

To Whom It May Concern:

On behalf of the University of California (UC), we submit the following comments in response to a request for input as detailed in the Federal Reserve's April 9, 2020 press release announcing the establishment of the Main Street Lending Program: Main Street New Loan Facility (MSNLF) and Main Street Expanded Loan Facility (MSELF), initiated by the Federal Reserve pursuant to H.R. 748, the Coronavirus Aid, Relief, and Economic Security (CARES) Act.

The University of California requests that the Federal Reserve updates the guidance to clarify that non-profit private and public institutions of higher education, regardless of how many employees they have, are eligible for the Main Street Lending Program. In addition, we also ask that the Federal Reserve implements the Main Street Lending Program in a manner that allows for individual UC campuses to be eligible to apply for these loans.

With more than 285,000 students and 227,000 faculty and staff the University of California is vital to the California economy and each of the ten UC campuses are major employers in their communities, and an integral part of the regional economies in which they participate. As a healthcare system, a research institution, and a major employer, the University of California is on the frontlines of the COVID-19 crisis, treating patients, finding innovative ways to continue to educate our students, researching diagnostics, tests and vaccines and protecting our students and workforce. UC is extremely grateful to Congress and the Federal Reserve for their swift action in response to the pandemic, and for providing much needed resources to address the crisis.

The University notes that even with the relief Congress has already appropriated to respond to COVID-19, the UC system continues to be significantly impacted financially and estimates that for our academic health systems alone, the direct and indirect costs associated with responding to the COVID-19 epidemic could easily exceed \$1 billion by the end of our fiscal year in June.

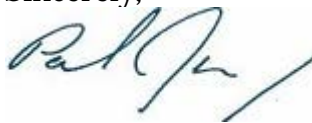
As the Federal Reserve moves towards implementing the Main Street Lending Program, we ask that you take the necessary steps to ensure that non-profit private and public higher

education institutions, like UC and our campuses, have access to the valuable and much needed resources of the Federal Reserve. UC campuses would benefit from being eligible to apply for low cost loans to help address the financial impact of the COVID-19 crisis, and are interested in accessing the credit and loans available under the Main Street Lending Program. In order to ensure our campuses can access these loans, the University of California asks that you support the following requests:

- UC asks that the Federal Reserve update its guidance regarding the Main Street Lending Program to clarify that non-profit private and public institutions of higher education, regardless of how many employees they have, are eligible to apply for loans and other financial tools made available under the program.
- UC also specifically requests that non-profit private and public institutions of higher education be made eligible for participation in the Main Street Lending Program without having to meet the eligibility requirement established for businesses, of having fewer than 10,000 employees, or meeting certain annual income requirements. Non-profit private and public higher education institutions may have more than 10,000 employees, especially if they are part of a large public university system, such as UC, and would benefit from being eligible to participate in programs such as the Main Street Lending Program as part of their response efforts to COVID-19.
- UC also asks that as guidance is developed for these programs, the Federal Reserve consider the positive impact Main Street Lending Program loans could have for individual UC campuses in bolstering their efforts to cover operating costs and payroll expenses. We request that the Federal Reserve implements the Main Street Lending Program in a manner that allows for individual UC campuses to be eligible for these loans.

Thank you for consideration of our requests. We look forward to working with the Federal Reserve as it implements the Main Street Lending Program and other important loan programs established to respond to the COVID-19 crisis. If you have any questions regarding the University of California's specific requests, please contact Chris Harrington at (202) 997-3150.

Sincerely,



Paul Jenny
Interim Executive Vice President-Chief Financial Officer

Cc: Associate Vice President Arrivas
Associate Vice President Harrington