U.S. TRAVEL
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June 22, 2020

The Honorable Jerome Powell
Chairman of the Board of Governors
The Federal Reserve System
Washington, DC 20551

The Honorable Steven Mnuchin
Secretary
U.S. Department of Treasury
Washington, DC 20220

RE: Main Street Lending Program – NONLF and NOELF

Dear Chairman Powell and Secretary Mnuchin,

Thank you for considering expanding the Main Street Lending Program to provide relief to nonprofit organizations. However, as the leading voice for the travel community, we are extremely concerned that under the current proposal, only 501(c)(3) and 501(c)(19) organizations will be able to access such relief, leaving out most Destination Marketing Organizations (DMOs), which are often classified as 501(c)(6) or 501(c)(4) organizations.

As you know, 501(c)(3) and 501(c)(19) organizations have been able to access to the Paycheck Protection Program (PPP), while 501(c)(6) and 501(c)(4) are ineligible for PPP and have been unable to access adequate relief under the Economic Injury Disaster Loan (EIDL) program—forcing many to severely downsize their staff or shut down completely. The CARES Act was meant to be a lifeline to employers of all shapes and sizes, yet for many nonprofits, including DMOs, CARES Act relief has not been available to them.

The travel industry workforce has been disproportionately harmed by the economic slowdown caused by COVID-19—losing more than 8 million jobs, which accounts for more than half (51%) of the travel industry's workforce. Currently, the unemployment rate in the travel industry is more than twice the national unemployment rate during the worst point of the Great Depression.

DMOs play a critical role in the travel industry, supporting local travel markets through tourism management and convention and meeting sales—connecting travelers with the travel businesses that would otherwise be ignored by mainstream media outlets and consumer channels. We ask that you include the following changes to the Main Street Lending Program to ensure DMOs, as a key component of the travel economy supply chain, can remain afloat during this difficult time:

- Allow 501(c)(6) and 501(c)(4) organizations to access the Main Street Lending Program.
- Increase the donation cap to 50% if the donations are automatic contributions based on a formula.
- Allow the maturity term to extend to 10 years upon request by the borrower.
- Reduce the minimum years of operations requirement to 2 years.
- For the new loan program, allow the maximum loan size to be the lesser of $50 million or half of the borrower's annual revenue.
- Lower the interest rate to 2% + LIBOR.
- Reduce the minimum loan size to $100,000.
- Allow nonprofits with as low as 20 employees to qualify for the loans.

With these changes, significant progress can be made to save DMOs and lay the groundwork for economic recovery. It's clear, with the travel industry accounting for a full third of all jobs lost since March, there can be no economic recovery without a strong travel recovery—and DMOs will play a critical role in that effort.

Thank you for your time and attention to this important matter.

Sincerely,

Tori Emerson Barnes
Executive Vice President
Public Affairs and Policy