

May 1, 2020



The Honorable Steven T. Mnuchin  
Secretary  
U.S. Department of the Treasury  
1500 Pennsylvania Avenue, N.W.  
Washington, D.C. 20220

The Honorable Jovita Carranza  
Administrator  
Small Business Administration  
409 3rd Street, S.W.  
Washington, D.C. 20416

Dear Secretary Mnuchin and Administrator Carranza:

Thank you for your leadership and efforts to address the coronavirus crisis, which poses a grave and growing threat to millions of older adults and the people who care for them. I write today on behalf of LeadingAge members to request that the Department of the Treasury (Treasury) and the Small Business Administration (SBA) confirm the eligibility of 501(c)(3) not-for-profit organizations that provide affordable senior housing for the Paycheck Protection Program.

LeadingAge represents more than 5,000 not-for-profit providers of aging services, including nursing homes, assisted living, providers of HUD-assisted senior housing, life plan communities, community-based services providers, home health and hospice – the entire continuum of care for older adults. Our membership includes about 2,000 501(c)(3) not-for-profit organizations that provide affordable housing to older adults.

Under the leadership of Treasury and SBA, the Paycheck Protection Program has provided a crucial lifeline to millions of small entities across the country as the COVID-19 pandemic continues, including several 501(c)(3) not-for-profit aging services providers within the LeadingAge membership.

We understand Paycheck Protection Program eligibility for small business concerns (e.g., for-profit organizations) conforms to eligibility for SBA 7(a) loans and as such, for-profit housing companies are not eligible for the Paycheck Protection Program. In addition to small business concerns, the CARES Act extends Paycheck Protection Program eligibility to 501(c)(3) not-for-profit organizations and does not apply 7(a) eligibility criteria to these entities.

While 501(c)(3) not-for-profit organizations are held to the size limitations of the Paycheck Protection Program (e.g., the 500 employee limit), entities such as not-for-profit affordable housing organizations are **not**, by virtue of their 501(c)(3) status, small business concerns and therefore should not be excluded from this vital program for this reason.

Approximately 1.6 million older adults reside in HUD-assisted communities. LeadingAge estimates that more than half of HUD-assisted seniors live in communities owned by not-for-profit organizations, many of whom are LeadingAge members. These not-for-profit organizations are, like other aging services providers, on the front lines of battling COVID-19 and require Paycheck Protection Program loans to meet their residents' needs through this

crisis. Ensuring the survival of not-for-profit senior housing providers is critical. LeadingAge members often have waiting lists of two to five years and only one of every three older adults eligible for housing assistance receives it because the programs are too small to meet the need. We cannot afford to lose any not-for-profit senior housing provider because of this pandemic.

LeadingAge understands that several of our 501(c)(3) not-for-profit affordable housing organization members have received Paycheck Protection Program loans. In addition, guidance from the Department of Housing and Urban Development (HUD)<sup>1</sup> suggests that the department is taking steps to remove any HUD regulatory barriers for affordable housing communities seeking Paycheck Protection Program loans. At the same time, our members have also heard mixed feedback from federal agencies and from public discussion of the program as to whether they are actually eligible for these loans.

We seek clarity on this issue and confirmation from Treasury and SBA that these particular 501(c)(3) not-for-profit organizations are eligible for the Paycheck Protection Program.

Guidance from Treasury<sup>2</sup> suggests that May 7 is the last day that Paycheck Protection Program participants may return their loan funds and be deemed by SBA to have acted “in good faith.” Because of this deadline, we seek clarity on this matter by May 5 so that our members can plan to act accordingly.

Please contact me or have your staff contact Ruth Katz, SVP for Policy, at [rkatz@leadingage.org](mailto:rkatz@leadingage.org) or 202-508-9470 with any follow up or questions.

Sincerely,



Katie Smith Sloan  
President and CEO  
LeadingAge

cc:

Ben Carson, Secretary, U.S. Department of Housing and Urban Development

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<sup>1</sup> Page 9, Questions and Answers for Office of Multifamily Housing Stakeholders, “HUD is reviewing its subordinate financing requirements for compatibility with the SBA PPP program and has given Multifamily field staff guidance to approve SBA PPP loans without limiting repayment to surplus cash for borrowers with market rate properties.” [https://www.hud.gov/sites/dfiles/Housing/documents/HUD\\_Multifamily\\_Corona\\_QA\\_FINAL.pdf](https://www.hud.gov/sites/dfiles/Housing/documents/HUD_Multifamily_Corona_QA_FINAL.pdf)

<sup>2</sup> Page 11, Paycheck Protection Program Loans Frequently Asked Questions, “Any borrower that applied for a PPP loan prior to the issuance of this guidance and repays the loan in full by May 7, 2020 will be deemed by SBA to have made the required certification in good faith.” <https://home.treasury.gov/system/files/136/Paycheck-Protection-Program-Frequently-Asked-Questions.pdf>