

RE: Associations Need More Federal Emergency Relief to Survive Coronavirus Impact

Dear Secretary Mnuchin:

The undersigned associations, representing millions of real estate professionals across the U.S. who provide critical services, jobs and revenue to the U.S. economy, urge you to include additional, direct emergency support in the next coronavirus aid package for Internal Revenue Code Section (Section) 501(c)(6) organizations, such as trade and professional associations. To help mitigate the coronavirus pandemic's harmful impact on our sector, we request \$25 billion in aid for associations that face financial losses from cancelled conferences and events, and eligibility for associations to access small business interruption loans that prevent layoffs and continue to pay employees.

Our community is extremely grateful the Administration and Congress took swift action to help businesses, nonprofits and millions of Americans withstand the coronavirus pandemic, which jeopardizes our collective livelihood, welfare and safety. Provisions within the Coronavirus Aid, Relief and Economic Security (CARES) Act will prove vital to help stabilize our economy and keep Americans safe. We are especially thankful significant relief is provided to Section 501(c)(3) charitable nonprofit organizations through the Paycheck Protection Program (CARES Act; Section 1102), an expanded charitable giving incentive (Section 2205) and the employer payroll tax deferment (Section 2302), among others.

The CARES Act does not, however, provide sufficient and critically needed emergency funds to trade and professional associations in desperate need of support. Section 501(c)(6) organizations can indeed access certain aid through an employee retention tax credit (Section 2301), and the Small Business Administration is accepting applications from 501(c)(6) organizations for expanded Economic Injury Disaster Loans (EIDL; Section 1110). While helpful, it will be challenging for members of our community to qualify for aid and secure the funds they need to avoid bankruptcy. Moreover, statutory language for EIDLs is unclear in exactly how it treats associations.

Countless associations across the country are in dire need of these funds for their economic survival – and their members now, more than ever, rely on associations for critical support during these unprecedented times. Associations of all sizes, varied functions and disparate industries comprise Section 501(c)(6). Without support, Section 501(c)(6) organizations will be unable to continue to provide the services on which so many rely. Meeting cancellations alone have dealt a staggering blow to associations. Many associations have little or no financial cushion to carry them through these times.

To help mitigate the coronavirus pandemic's devastating impact on our economy and safety, we support and reiterate ASAE's calls for emergency aid to the association community, as follows:

1. Provide \$25 billion in immediate capital assistance to trade and professional associations; and
2. Include 501(c)(6) organizations in the Paycheck Protection Program or similar Small Business Administration loan expansions.

Thank you for your consideration and continued support of our country during this challenging time.

Sincerely,