

Congress of the United States
Washington, DC 20515

March 28, 2019

The Honorable Rosa DeLauro
Chairwoman
Subcommittee on Labor, Health and Human
Services, Education, and Related Agencies
U.S. House of Representatives
Washington, D.C. 20515

The Honorable Tom Cole
Ranking Member
Subcommittee on Labor, Health and Human
Services, Education, and Related Agencies
U.S. House of Representatives
Washington, D.C. 20515

Dear Chairwoman DeLauro and Ranking Member Cole:

We write to ask for your support regarding the Historically Black Colleges and Universities (HBCU) Capital Financing Loan Program deferment authority. As you know, the HBCU Capital Financing Loan Program lends funds to public and private HBCUs at a lower interest rate than market rates for the purposes of building infrastructure on their campuses. This federal loan program is essential to HBCUs, especially considering [research](#) demonstrating the barriers HBCUs have faced in the private bond market, including higher underwriting fees.^[1] While the program has been invaluable, some institutions have struggled to make payments due to the 2008 economic recession.

Many bipartisan Members of Congress who represent these struggling HBCUs worked together to include language in Public Law (P.L.) 115-141, the Consolidated Appropriations Act of 2018. This language provided a deferment for private HBCUs with critical financial needs. Despite eight private HBCUs being chosen, there were five additional private HBCUs which also applied, met the qualifications in the law, and were denied relief due to a demand that exceeded the funds appropriated by Congress. In response, bipartisan support was also gained from Members of Congress to include the following language in P.L. 115-245, the Department of Defense and Labor, Health and Human Services, and Education Appropriations Act of 2019:

“\$20,000,000 shall be made available to provide for the deferment of loans made under part D of title III of the HEA to eligible institutions that are private Historically Black Colleges and Universities, which apply for the deferment of such a loan and demonstrate financial need for such deferment by having a score of 2.6 or less on the Department of Education’s financial responsibility test: Provided, That during the period of deferment of such a loan, interest on the loan will not accrue or be capitalized, and the period of deferment shall be for at least a period of 3-fiscal years and not more than 6-fiscal years: Provided further, That funds available under this paragraph shall be used to fund eligible deferment requests submitted for this purpose in fiscal

^[1] Dougal, C., Gao, P., Mayew, W.J., & Parsons, C.A. (2018). What's in a (school) name? Racial discrimination in higher education bond markets. Retrieved from https://papers.ssm.com/sol3/papers.cfm?abstract_id=2727763

year 2018: Provided further, That the Secretary shall create and execute an outreach plan to work with States and the Capital Financing Advisory Board to improve outreach to States and help additional public Historically Black Colleges and Universities participate in the program.”

We believe protecting and strengthening the federal investment in private HBCUs is vital and we strongly recommend that this deferment language is maintained in the Fiscal Year (FY) 2020 appropriations bill. Not only does this language have bipartisan support, but it is also included in President Donald Trump’s FY 2020 budget request with a minor modification that ensures the 13 private institutions continue to receive the deferment. We thank you for your past support and for your continued leadership this year.

Sincerely,

Terri A. Sewell
Member of Congress

Alma S. Adams, Ph.D.
Member of Congress

Michael R. Turner
Member of Congress

John Lewis
Member of Congress

Barbara Lee
Member of Congress

Louie Gohmert
Member of Congress

Sanford D. Bishop, Jr.
Member of Congress

Steve Cohen
Member of Congress

Al Lawson
Member of Congress

Frederica S. Wilson
Member of Congress

Cedric L. Richmond
Member of Congress

Ro Khanna
Member of Congress



Steven Horsford
Member of Congress



Bennie G. Thompson
Member of Congress



Henry C. "Hank" Johnson, Jr.
Member of Congress



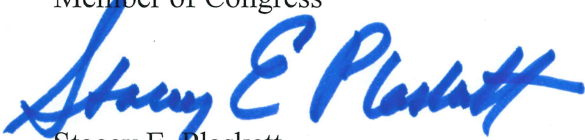
Rashida Tlaib
Member of Congress



Eleanor Holmes Norton
Member of Congress



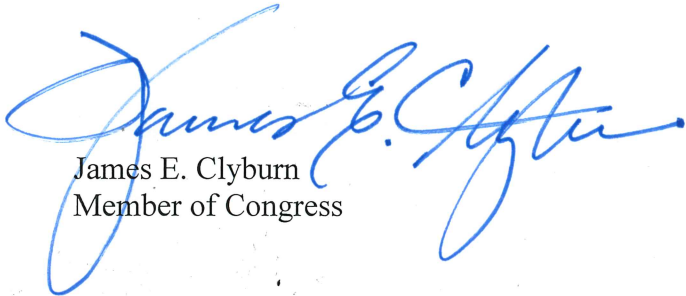
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