

April 15, 2020

The Honorable Nancy Pelosi, Speaker
United States House of Representatives
1236 Longworth House Office Building
Washington, D.C. 20515

RE: Urgent Request to Include IRC 501(c)(6) Organizations in Future Emergency Funding

Dear Speaker Pelosi:

In recent months, CFA Institute, like many other nonprofit businesses throughout the nation, has experienced a significant blow to its business and finances due to the ongoing economic shutdown resulting from the devastating COVID-19 virus. Specifically, we have had to cancel the in-person global exams that account for most of our annual revenues. And this crisis is now severely limiting our ability to function as an organization and serve the 3,347 members who are affiliated with CFA Society San Francisco.

With this in mind, we are requesting your help to ensure that 501(c)(6) organizations like CFA Institute, which is not primarily engaged in lobbying or political activity, can benefit from all future COVID-19 relief bills supporting employers affected by this unforeseeable emergency. Specifically, CFA Institute requests that Congress amend and clarify provisions of both the CARES Act for loans enabled by Sec. 4003(b)(4) (Emergency Relief and Taxpayer Protections) and the Federal Reserve's recently announced Main Street Lending Program, to apply to 501(c)(6) organizations that are not primarily engaged in lobbying or political activity. This would enable our organization and our affiliated societies in San Francisco and elsewhere in the United States to function and employ their highly skilled and trained staff that serve the 59,268 investment professionals affiliated and credentialed by CFA Institute nationwide.

As you know, employers everywhere are closing due to financial distress caused by the COVID-19 pandemic. Nonprofit associations such as ours are no exception. Without any fault of their own, some of these Section 501(c) associations have lost their ability to provide for constituents and employees due to lost production and lost revenues on account of massive event cancellations.

The crisis has forced CFA Institute to cancel its three levels of June exams scheduled at 343 test centers in 192 cities and 94 countries due both to government dictate and concern for the health of the more than 250,000 young finance professionals scheduled to sit for those exams. These shutdowns have had a significant toll on the finances of CFA Institute. The exam program accounted for more than 85% of our total revenues in fiscal year 2019. Despite losing our primary source of revenue, however, the organization continues to employ our 500-plus U.S. employees. Furthermore, we have had to cancel 36 meetings and events, many dedicated to

providing continuing professional education to our members, including our annual meeting previously scheduled for mid-May in Atlanta. Every remaining event for the fiscal year has been put on hold or preemptively canceled due to this once-in-a-lifetime event.

Associations and other Section 501(c) organizations like CFA Institute and our affiliated local societies throughout the United States play an important role in training America's workforce, creating industry and professional standards, and disseminating essential information and resources to people in need, particularly during times of crisis. These organizations are already needed to help coordinate federal resources, and they require staff to fulfill this duty.

To reiterate, **CFA Institute requests your help to ensure that 501(c)6 organizations who are not primarily engaged in lobbying or political activity can benefit from all future COVID relief bills supporting employers affected by this unforeseeable emergency. Specifically, CFA Institute requests that Congress amend provisions of the CARES Act loans enabled by Sec. 4003(b)(4) (Emergency Relief and Taxpayer Protections) and the Federal Reserve's recently announced Main Street Lending Program to apply to 501(c)6 organizations that are not primarily engaged in lobbying or political activity.** Without this financial support, innumerable associations will suffer, and many will fail.

Thank you for your consideration and continued support of our country during this challenging time. If you have questions regarding this urgent request for critically needed support for CFA Institute and CFA Society San Francisco, please contact our policy representatives, James C. Allen, CFA, Head Capital Markets Policy – Americas (james.allen@cfainstitute.org or 434-227-1338), or Tom Carpenter, government affairs consultant for CFA Institute (tom@republicconsulting.com, or 202-577-3035).

Sincerely,



Margaret Franklin, CFA
Chief Executive Officer
CFA Institute