



EXPAND THE HBCU CAPITAL FINANCING PROGRAM



This vital program is an essential investment in the continued growth and vitality of HBCUs. For example, Bennett College in Greensboro, North Carolina, borrowed \$21 million through the HBCU Capital Financing Program to construct a 144-bed Honors Residence Hall, a multi-purpose Global Learning Center, and a wellness facility. Recently, Harris-Stowe State University completed work on a new \$15 million four-story environmentally friendly freshman residence hall and dining facility.

RECOMMENDATION

UNCF recommends **\$25 million** for the FY 2018 appropriation for loan subsidies under the Historically Black College and University (HBCU) Capital Financing Program. We also urge Congress to continue appropriations language that allows the U.S. Department of Education to override outdated statutory limits on the program’s cumulative loan authority.

NATIONAL SIGNIFICANCE

The HBCU Capital Financing Program provides HBCUs with access to low-interest loans not available elsewhere to support the repair, renovation, and construction or acquisition of educational facilities, instructional equipment, and physical infrastructure. As a result of these investments, HBCUs are able to provide students with enhanced learning and living environments, rebuild and restore historic buildings, and provide jobs in rural and urban communities.

For 25 years, this financing program has been an effective tool to maintain the capital stock of the nation’s HBCUs, with built-in safeguards to limit risk to the federal government and taxpayers.

BACKGROUND

The requested \$25 million in loan subsidies would support a total annual new loan volume of \$400 million in FY 2018 – an increase of \$118 million over available loan volume in FY 2017. In total, nearly 100 continuing and new loans could be supported in FY 2018 for critical infrastructure improvements.

HBCU Capital Financing Program Funding History	
FY 2012	\$20.5 million (\$320 million in new loan volume)
FY 2013	\$19.4 million* (\$304 million new loan volume)
FY 2014	\$19.4 million (\$304 million new loan volume)
FY 2015	\$19.4 million (\$304 million new loan volume)
FY 2016	\$20.5 million (\$302 million new loan volume)
FY 2017	\$20.5 million (\$282 million new loan volume)
HBCU Coalition FY 2018 Request	\$25 million (\$400 million new loan volume)

*Reflects across-the-board sequestration cut, pursuant to the Budget Control Act of 2011.