

PRIVATE EQUITY'S RESPONSIBILITIES DURING THE COVID-19 PANDEMIC

Over the last several years, the private equity and private funds industry has grown dramatically and, in the process, has come to touch more and more aspects of people's lives.



Private market assets under management hit an all-time high of \$6.5 trillion last year.

As of 2018, the US private equity sector directly employed 8.8 million workers. Many of these workers now face an uncertain future as businesses are shuttered or workers risk exposure to COVID-19.

As private equity firms have invested in housing, they now own the primary residences for millions of people around the world.

In recent years the private equity firms have invested heavily in the health care industry, and now private

equity-owned health care facilities are on the front lines of the fight against COVID-19.

Many private equity and private funds managers have become extremely wealthy and are themselves well positioned to weather the crisis, while workers at companies they own, residents of housing they own, and others impacted by their investments may not be.

Private equity and other private funds managers have a responsibility to stakeholders impacted by their investments during the COVID-19 pandemic. As such, we ask that private equity and other private funds managers take the following actions:

Private Equity's Responsibilities During the COVID-19 Pandemic

WORKERS/ JOBS

- Ensure all direct and contracted employees of portfolio companies have at least two weeks of paid sick leave and at least twelve weeks of family and medical leave, and that employees will not be retaliated against if they utilize leave.
- Ensure all direct and contracted employees of portfolio companies that are working have safe working conditions and the training and protective equipment they need to do their jobs safely.
- Ensure portfolio companies provide comprehensive health care coverage.
- Ensure portfolio companies that close facilities continue to pay employees that are unable to work.
- In the event that the portfolio company lays off employees, it should continue health insurance for employees, provide severance to laid off employees, and commit to recall laid off employees when the establishment reopens.
- To promote safe workplaces, direct and indirect employees of portfolio companies and real estate assets should have a voice at work and the ability to organize free from intimidation or harassment.

HEALTH CARE

- Return fees and dividends collected from health care companies owned by the private equity firm to ensure companies have as many resources as possible to respond to COVID-19.
- Stop surprise medical billing by portfolio companies.
- Ensure all direct and contracted employees of private equity-owned health care providers have the training and protective equipment they need to do their job safely.
- Ensure private equity-owned health care facilities have sufficient staffing.
- Test and treat patients for COVID-19 regardless of patients' insurance status.

Private equity and other private funds managers have a responsibility to stakeholders impacted by their investments during the COVID-19 pandemic.

HOUSING

- Halt all evictions and rent increases at rental housing owned by the private equity firm for the duration of the COVID-19 pandemic.
- Halt all foreclosures on mortgages owned by the private equity firm for the duration of the COVID-19 pandemic.
- Waive fines for late payment of rent and late mortgage payments.

INCARCERATION AND DETENTION

- Health care providers: Provide adequate medical care including Coronavirus testing and fully staffing medical units. Waive medical co-pays.
- Telecom companies: Make phone calls, emails, and video conferencing free of charge to enable incarcerated people to communicate with their families. Provide free access to news sources to keep people informed about the development of the virus.
- Financial Services Companies: Eliminate transfer and transaction fees associated with individual accounts. Remove limits on the number and amount of deposits or transfers to individual accounts.
- Commissary Providers: Eliminate mark-ups of all items. Remove limits on the number and amount of deposits or transfers and eliminate transfer and transaction fees on individual commissary accounts.

CONSUMER LENDING/ DEBT COLLECTION

- Suspend all debt collection activities, referrals to debt collectors, and sales to debt buyers, including a halt to garnishment or offset of income, bank accounts, government payments and tax returns.
- Creditors should make broad allowances for consumers, small businesses, and nonprofit organizations who cannot make payments in a timely fashion.
- No late fees, default interest or compounding interest should accrue for debt until the pandemic eases significantly and normal employment patterns resume.
- Halt negative credit reporting. No one should see their credit harmed or as a result of the pandemic.
- Cap interest rates on new loans at 36% and ensure clear and enforceable prohibitions against predatory lenders taking advantage of people during a health crisis and severe economic stress.