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Congress of the United States
House of Representatives
Washington, DC 20515–3221

June 17, 2025

The Honorable Paul Atkins
Chairman
U.S. Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549

Chairman Atkins,

I write to raise concerns regarding Harvard University's recent financial disclosures in connection with its taxable bond offerings, particularly its compliance with disclosure requirements under SEC rules. There is reason to believe Harvard withheld material information from bondholders, including a decision to reject White House conditions related to a civil rights investigation prior to its initial offering and only disclosed that fact days later in a supplemental filing.

Despite Harvard's reputation for fiscal strength and its reported $53 billion endowment, the institution's underlying financial position may be more precarious than publicly acknowledged. A large portion of Harvard's endowment is invested in illiquid assets, private equity, venture capital, and real estate that are often overvalued due to reliance on internal estimates and outdated transaction data. In today's environment of elevated interest rates and declining private market valuations, the real, realizable value of these assets is likely far below stated values. Moreover, much of this portfolio is leveraged, compounding potential losses in a downturn.

Harvard's recent borrowing spree over $1.2 billion in taxable bonds in just the past two months raises questions about its short and medium term liquidity. These borrowings come on top of Harvard's $7.9 billion in existing debt. Public bond documents cite uncertainty around federal research funding and potential changes in cost recovery as material risks. However, the sequencing of events surrounding the bond offering raises concerns:

Timeline of Relevant Events:

- March 31, 2025: The White House announces a review of Harvard's compliance with civil rights law and potential restrictions on federal grant funding and contracts.[1]
- April 3, 2025: Harvard receives a letter from the White House outlining conditions and reforms for continued federal support.[2]
- April 9, 2025: Harvard offers new taxable bonds to investors. [3]

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[1] HHS, ED, and GSA Initiate Federal Contract and Grant Review of Harvard University | HHS.gov
[2] april-3-harvard-preconditions-letter.pdf
[3] Harvard To Borrow $750 Million Amid Federal Funding Uncertainty | News | The Harvard Crimson

- April 14, 2025: Harvard formally rejects the White House terms for continued federal support.[4]
- April 15, 2025: Harvard issues a supplemental disclosure to bondholders, citing risks related to ongoing conflict with the federal government.[5]

I believe the supplemental disclosure issued on April 15 contains material information that should have been included in the original April 9 bond offering. A comparison between the April 9 prospectus and the April 15 supplemental disclosure reveals significant additions regarding the potential for adverse federal action and institutional risk. This raises the question of whether Harvard had preeminently decided to reject the White House's conditions prior to offering bonds on April 9 but failed to disclose that decision to investors.

Such a failure would represent a material omission under federal securities law. Investors were asked to analyze risk without knowing the full extent of Harvard's exposure to reputational and funding related fallout from a conflict with the federal government. If Harvard had indeed made its decision by April 9 and did not disclose it, this would warrant serious scrutiny.

In light of these facts, I respectfully request that the SEC investigate the following:

1. Whether Harvard failed to disclose material information in its initial April 9 bond offering, specifically a pre-existing decision to reject the White House's conditions for continued federal support;
2. Whether the supplemental disclosure issued on April 15 should have been included in the initial offering, and whether the delay constitutes a violation of disclosure requirements;
3. Whether Harvard's disclosures to bondholders adequately reflect risks associated with its illiquid and leveraged asset holdings, including private equity, venture capital, and real estate.

As a tax-exempt institution with immense influence over public policy, academic standards, and federal research funding, Harvard should be held to the highest standard of financial transparency. Market participants deserve complete, timely, and accurate disclosures especially when institutions seek access to public capital markets while under federal investigation.

Thank you for your attention to this important matter. I look forward to your findings and to ensuring full accountability for institutions of Harvard's scale and stature.

Sincerely,

Elise M. Stefanik

Elise M. Stefanik
Chairwoman
House Republican Leadership

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[4] Harvard Response 2025-04-14

[5] President and Fellows of Harvard College