

FEDERAL RESERVE

MAIN STREET LENDING PROGRAM

PROGRAM DESCRIPTION

The Federal Reserve launched the MAIN STREET LENDING PROGRAM on April 9, which is a \$600B lending program funded from the CARES Act to help small- and medium-sized businesses deal with the economic shock caused by the COVID-19 pandemic. Four-year loans will be offered to businesses that commit to making a reasonable effort to maintain payroll and retain workers. Businesses that have taken advantage of the SBA's Paycheck Protection Program may also take out loans under this program.

PROGRAM ELIGIBILITY CRITERIA

- Have up to 10,000 employees or up to \$2.5M in 2019 revenue
- Be a business created or organized under United States law
- Be a business in good financial standing

PROGRAM LOAN FACILITIES

MAIN STREET NEW LOAN FACILITY (MSNLF)

New loans that originate on or after April 8, 2020 with a maximum loan amount that is the lesser of \$25M **OR** an amount that, when added to the borrower's existing outstanding and committed but undrawn debt, does not exceed four times that borrower's 2019 EBITDA.

MAIN STREET EXPANDING LOAN FACILITY (MSELF)

Banks can increase the amount of an existing loan issued prior to April 8, 2020 with a maximum loan amount that is the lesser of \$150M **OR** 30% of the borrower's existing outstanding and committed but undrawn bank debt, **OR** an amount that, when added to the borrower's existing outstanding and committed undrawn debt, does not exceed six times that borrower's 2019 EBITDA.

VISIT <https://www.federalreserve.gov/monetarypolicy/main.htm> FOR MORE DETAILS



**FOR
BOTH
THE
MSNLF
AND
MSELF**

- LOAN TERMS ARE FOUR YEARS AT AN ADJUSTABLE RATE
- PRINCIPAL AND INTEREST ARE DEFERRED FOR ONE YEAR
- PREPAYMENT IS PERMITTED WITHOUT PENALTY

**ONE COMPANY
IS NOT ALLOWED
TO APPLY
FOR BOTH
PROGRAMS**