

Federal Reserve Continues to Revise Main Street Lending Program

Key Point

- The Federal Reserve has further revised the terms for the upcoming Main Street Lending Program in order to expand access to the program's three loan facilities

The Federal Reserve announced on June 8, 2020, that it has revised key terms for its upcoming Main Street Lending Program to support small and medium-sized businesses, consisting of three loan facilities: the Main Street New Loan Facility (MSNLF), the Main Street Priority Loan Facility (MSPLF), and the Main Street Expanded Loan Facility (MSELF).

Earlier, Hanson Bridgett published [The Main Street Lending Program: How it Works and Who is it For?](#).

The most recent changes announced by the Federal Reserve include:

- Reduced minimum loan size of \$250,000
- Increased maximum loan sizes of \$35M for the MSNLF, \$50M for the MSPLF, and \$300M for the MSELF, subject to limits based on adjusted EBITDA
- Extended term loan length of 5 years
- Increased deferral of principal payments for 2 years
- The Main Street SPV will purchase 95% of each eligible loan

Previously, the Federal Reserve also expanded the eligibility criteria include U.S. businesses that have up to 15,000 employees or 2019 revenues of up to \$5 billion.

While the Federal Reserve has not yet launched registration for the Main Street Lending Program, the Federal Reserve has made term sheets for each of the facilities available on its website.

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