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Main Street Lending Program Now Open to Borrowers and Lenders

Insight — 07/14/2020

On July 6, 2020, the Federal Reserve Bank of Boston announced that the Main Street Lending Program is now fully operational. This means that lenders who registered for the program can administer, and borrowers can apply for, loans that are then submitted to the Federal Reserve Bank of Boston for purchase.

As a part of the Coronavirus Aid, Relief and Economic Security (CARES) Act, the Federal Reserve created the Main Street Lending Program to provide a total of \$600 billion in financing for small and medium-sized businesses. Loans range in size from a minimum of \$250,000 to a maximum of \$300 million depending on the program facility. Businesses interested in loans through the program work with an eligible lender to determine if they meet the program requirements as well as the lender's own underwriting standards. Ultimately, the lender determines whether a business is approved for a loan. The Federal Reserve Bank of Boston participates in the lending process by purchasing a 95% interest in the loan and the lender that originated the loan retains a 5% interest in the loan.

As set forth in Section E of the Main Street Lending Program's FAQs, which is updated as new information or guidance is created, to be eligible to borrow under the program, a business must satisfy certain eligibility criteria, including the following:

1. the business must have been established prior to March 13, 2020;
2. the business must not be an Ineligible Business (as defined in 13 CFR 120.110(b)-(i), (m)-(s));
3. the business must meet at least one of the following two conditions:
(a) the business has 15,000 employees or fewer, or (b) the business has 2019 annual revenues of \$5 billion or less;
4. the business must be a U.S. business;
5. the business may only participate in one of the Main Street facilities (Main Street New Loan Facility (MSNLF), Main Street Priority Loan Facility (MSPLF), or Main Street Expanded Loan Facility (MSELF)) and must not participate in the Primary Market Corporate Credit Facility (PMCCF);
6. the business must not have received support pursuant to section 4003(b)(1)-(3) of the CARES Act; and
7. the business must be able to make all of the certifications and

covenants required under the program.

More information about the Main Street Lending Program can be found [here](#).