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Main Street Lending Program: Summary Chart for Eligible Main Street Loan Terms

Legal Update

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View Updated Summary Chart for Eligible Main Street Loan Terms from April 30, 2020

By Sjur Midness

On April 9, 2020, the Federal Reserve announced details concerning the Main Street Lending Program, a lending program designed to ensure credit flows to small and mid-sized businesses during the Coronavirus pandemic. Authorized under section 13 (3) of the Federal Reserve Act, the Main Street Lending Program enables the Federal Reserve to purchase up to \$600 billion of loans through two loan facilities: the “Main Street New Loan Facility” (New Loan Facility) and the “Main Street Expanded Loan Facility” (Expanded Loan Facility). Eligible lenders may originate new loans to eligible businesses through the New Loan Facility or increase the size of existing loans through the Expanded Loan Facility. A single special purpose vehicle (SPV) established by the Federal Reserve will then purchase a participation in 95 percent of the eligible loan; the eligible lender must retain the remaining five percent.

This chart summarizes the key terms of the New Loan Facility and the Expanded Loan Facility, as described on the term sheets provided by the Federal Reserve on April 9, 2020. Please note that the Federal Reserve is accepting comments from lenders, borrowers and other stakeholders on the Main Street Lending Program until April 16, 2020. As such, the program’s terms remain subject to change.

[View Eligible Main Street Loan Terms Summary Chart](#)