

Main Street Lending Program: Main Street New Loan Facility (MSNLF) and Main Street Expanded Loan Facility (MSELF)

The Federal Reserve established the Main Street Lending Program to enhance support for small and mid-sized businesses that were in good financial standing before the crisis by offering 4-year loans to companies employing up to 10,000 workers or with revenues of less than \$2.5 billion. Principal and interest payments will be deferred for one year. Eligible banks may originate new Main Street loans or use Main Street loans to increase the size of existing loans to businesses. Banks will retain a 5 percent share, selling the remaining 95 percent to the Main Street facility, which will purchase up to \$600 billion of loans. Firms seeking Main Street loans must commit to make reasonable efforts to maintain payroll and retain workers. Borrowers must also follow compensation, stock repurchase, and dividend restrictions that apply to direct loan programs under the CARES Act. Firms that have taken advantage of the PPP may also take out Main Street loans.

The Federal Reserve and the Treasury recognize that businesses vary widely in their financing needs, particularly at this time, and, as the program is being finalized, will continue to seek input from lenders, borrowers, and other stakeholders to make sure the program supports the economy as effectively and efficiently as possible while also safeguarding taxpayer funds. Comments may be sent to the [feedback form](#) until April 16.

- Main Street New Loan Facility (MSNLF): [Term Sheet \(April 9, 2020\) \(PDF\)](#)
- Main Street Expanded Loan Facility (MSELF): [Term Sheet \(April 9, 2020\) \(PDF\)](#)