

FEDERAL RESERVE PUBLISHES UPDATED MAIN STREET LENDING PROGRAMS

Posted on May 9, 2020 by Michelle F. Schwerin

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On **April 9, 2020**, the Federal Reserve, published term sheets for a Main Street Lending Program for small and/or mid-size businesses. The April 9 term sheets set forth two separate loan programs under the Main Street Lending Program—the **Main Street Lending Program** and the **Main Street Expanded Lending Program**. Comments from lenders and borrowers concerning the two programs were due to the Federal Reserve on **April 16, 2020**.

On **April 30, 2020**, after receiving and reviewing public input, the Federal Reserve made adjustments to the Main Street Lending Program and Main Street Expanded Lending Program and **added a third loan option** (though the Federal Reserve will only purchase **85%** of this loan). Especially notable, the Federal Reserve **increased the maximum size of businesses that are eligible** to include business with up to **15,000 employees or \$5 billion in annual revenue**.

As such, we have adjusted our summary chart outlining the various Main Street Lending Programs, which can be found [here](#).

Also worth noting is that the Federal Reserve specifically acknowledged that **nonprofits** are ineligible to participate, but stated it is working with the Treasury to evaluate whether nonprofit organizations might participate in the future. We will continue to monitor the implementation of these programs, along with any further guidance that is issued. A start date for the programs is expected soon.

The choice of a lawyer is an important decision and should not be based solely upon advertisements.