

COVID-19: Federal Reserve Board Expands Terms and Conditions of Main Street Lending Program to Improve Accessibility to Small and Medium-sized Businesses

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On June 8, 2020, the Federal Reserve Board (FRB) updated the terms and conditions to the Main Street Lending Program (the Program): the Main Street New Loan Facility (MSNLF), the Main Street Priority Loan Facility (MSPLF), and the Main Street Expanded Loan Facility (MSELF and together with MSNLF and MSPLF, the Facilities). In this e-alert, you will find:

- an [updated version](#) of our previously published combined term sheet summarizing and comparing the key aspects of each Facility as of June 8, 2020;
- a [summary description](#) of each of the instructions, required certifications, and set of agreements, including links to documents;
- an [updated term sheet](#) summarizing the principal terms of the loan participation by the special purpose vehicle (the SPV) formed by the Federal Reserve Board (FRB) for purposes of the Program; and
- a [redline comparison](#) of the June 8, 2020 version of the FRB's "Frequently Asked Questions" publication (the FAQs) for the Program marked to the version of the FAQs released on May 27, 2020.

Key updates to the Program include:

- decreasing the minimum loan size for each of MSNLF and MSPLF from \$500,000 to \$250,000 while increasing the maximum loan size for MSNLF from \$25 million to \$35 million and for MSPLF from \$25 million to \$50 million;
- increasing the maximum loan size for MSELF from \$200 million to \$300 million and

eliminating the 35 percent sizing test for MSELF so that, as with MSPLF, the only test used to determine the maximum size of a borrower's MSELF will be a 6x leverage test;

- increasing the term of all three Facilities from 4 years to 5 years;
- extending the principal repayment deferral period for all three Facilities from one year to two years; and
- standardizing the Federal Reserve Bank of Boston's participation percentage to 95 percent for all three Facilities (thereby increasing the MSPLF participation percentage from 85 percent to 95 percent of a Facility).

On June 15, 2020, the FRB activated its online portal for lender registration in the Program. Lenders can now register through the Program's lender portal, through which lenders will provide relevant identifying information, and sign and submit required registration forms and agreements for participation in the Program. The link to the FRB's online lender registration is available [here](#). Once registered for the Program, the FRB encourages lenders to begin making Program loans immediately.

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