

# Main Street Lending Program at the U.S. Federal Reserve System

Our Program Impact One-Pagers feature funding opportunities to support business and economic development given COVID-19.

## New Loan Program for Businesses During COVID-19

Established by the [CARES Act](#), the Main Street Lending Program supports lending to U.S. small and medium-sized businesses who were financially effected by COVID-19. The Federal Reserve Bank of Boston administers the program under the Federal Reserve.

### Who Can Apply?

Businesses may be eligible if they meet either of the following:

- The business has 15,000 employees or fewer; or
- The business had 2019 revenues of \$5 billion or less

A business that receives a loan through the SBA's Paycheck Protection Program (PPP) can also be eligible for the Main Street.

### How to Apply?

Eligible borrowers can apply with an approved lender. Eligible lenders are listed in [the program term sheets](#).

### Connect with Main Street

- [Main Street Lending Page](#)
- [Main Street FAQ](#)
- [Email the Main Street Program](#)
- [Federal Reserve Page](#)



United States  
Federal Reserve



\$600 Billion in  
CARES Act Funding



Program in Effect  
Until September 30

	New Loan Facility	Priority Loan Facility	Expanded Loan Facility
Minimum Loan	\$500,000	\$500,000	\$10 million
Maximum Loan	\$25 million*	\$25 million*	\$200 million*
Loan Term and Payments	Year 1: Deferral Year 2-4: 33.3%	Year 1: Deferral Year 2-3: 15% Year 4: 70%	Year 1: Deferral Year 2-3: 15% Year 4: 70%

\*Maximum loan size limitations relative to outstanding undrawn debt

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[calbis@gobiz.ca.gov](mailto:calbis@gobiz.ca.gov)

[business.ca.gov/coronavirus-2019/](https://business.ca.gov/coronavirus-2019/)



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# Main Street Lending Program

Business loans to help eligible medium-sized and small companies through the COVID-19 pandemic

## What it is

The program is designed to help credit flow to medium-sized and small businesses that were in good financial condition, but now need loans to help until they have recovered from, or adapted to, the impacts of the pandemic.

Loans originated under the program have several features that will help businesses facing challenges. The program offers 4-year loans, with floating rates, and principal and interest payments deferred during the first year to assist businesses facing temporary cash flow interruptions.

The loans range in size from \$500,000 to \$200 million – a wide range that may support a broad set of employers.

## What it isn't

Main Street loans are not grants and cannot be forgiven. The loans are underwritten and approved by eligible lenders.

## How it works

Interested businesses will work with an eligible lender to determine if they meet the program requirements, which are available online, as well as the lender's own underwriting standards. The lender will determine whether a business is approved for a loan.

The Fed will participate in the lending by purchasing an 85 percent or 95 percent interest in the loan, depending on the facility. To assist a broad range of borrowers, the program will offer three different loan types, each with somewhat different characteristics.

	New Loan Facility	Priority Loan Facility	Expanded Loan Facility
Loan Term	4 years		
Principal Payments, Year 1	None (principal and interest deferred one year)		
Interest Rate	Adjustable rate of LIBOR (1 or 3 mo.) plus 300 basis points.		
Loan Size	\$500,000 to \$25 million	\$500,000 to \$25 million	\$10 million to \$200 million
Maximum Combined Debt to Adjusted 2019 EBITDA	4 times	6 times	6 times
Principal Payments, Years 2 to 4	33.3%, 33.3%, 33.3%	15%, 15%, 70%	15%, 15%, 70%
Lender Stake	5%	15%	5%
Fed Stake	95%	85%	95%
Prepayment Allowed	Yes, without penalty		
Business Size Limits	15,000 employees or fewer, or 2019 revenues of \$5 billion or less		
Fees	Origination and transaction fees may apply		

## To get started

Business borrowers can review the program parameters at [www.bostonfed.org/mslp](http://www.bostonfed.org/mslp) prior to approaching a lender. Lenders interested in the program can also start at [www.bostonfed.org/mslp](http://www.bostonfed.org/mslp).

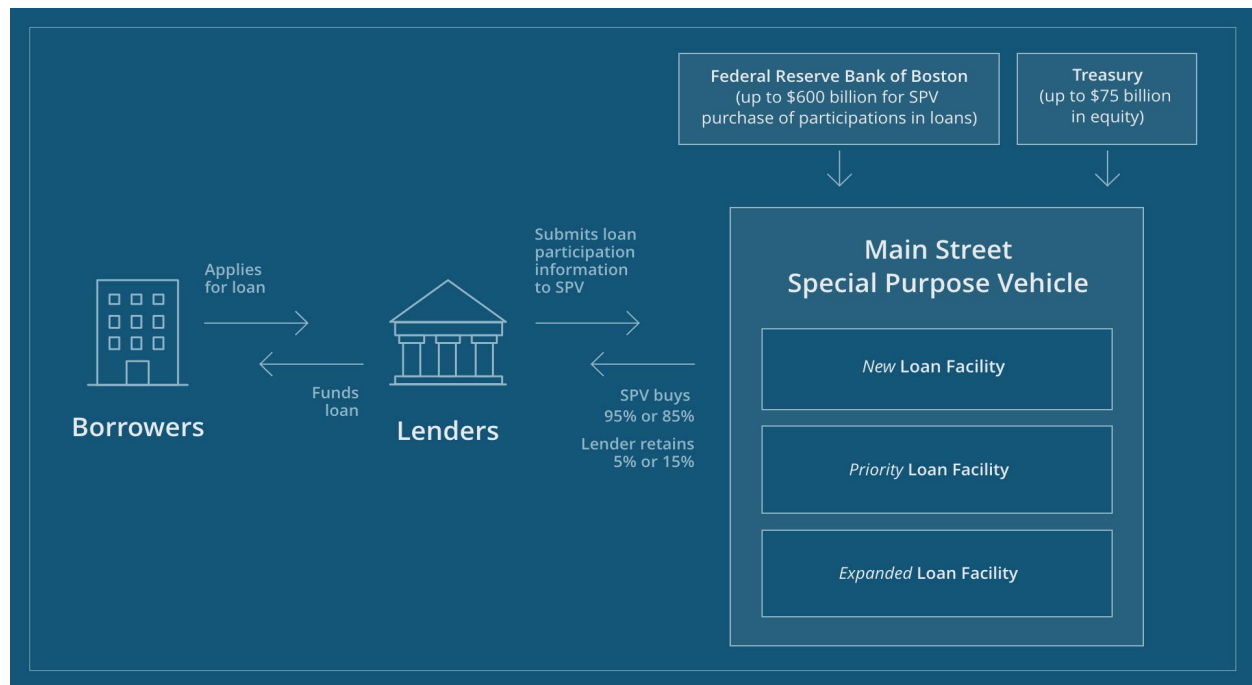
At [www.bostonfed.org/mslp](http://www.bostonfed.org/mslp) you'll find frequently asked questions, term sheets, lending documents, and the option to subscribe to email updates about the program. General questions about the program may be sent to [MSLP@bos.frb.org](mailto:MSLP@bos.frb.org).

## Other resources

The Main Street program aims to assist businesses that employ a major share of the American workforce. For smaller businesses, in addition to reviewing the Main Street Program materials, it may be useful to consult the Small Business Administration's [Coronavirus Small Business Guidance & Loan Resources](#) and the Treasury's [Community Development Financial Institutions Fund - Tools and Resources](#), which has a list of current certified CDFIs, many of which make loans to small businesses and provide technical assistance.\*

## Administration

The Main Street Lending Program is administered by the Federal Reserve Bank of Boston, which has established a special purpose vehicle to purchase loan participations from eligible lenders across the U.S.



*\*Please note, information about these lenders is provided as a convenience and for informational purposes only. This does not constitute an endorsement or an approval by the Federal Reserve Bank of Boston or Federal Reserve System.*