FAQs on “Main Street” lending program (COVID-19)

The U.S. Federal Reserve Bank today released a set of “frequently asked questions” (FAQs) concerning the “Main Street” lending program as established to address the economic impact of the coronavirus (COVID-19) pandemic on small and medium-size businesses.

The “Main Street” lending program is established by funds appropriated by the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) (Pub. L. No. 116-136).

Read the Federal Reserve FAQs [PDF 315 KB]

The Federal Reserve also issued a release about expansion of the “Main Street” lending program. Additional information is provided on the Federal Reserve website.

Today’s guidance items allow for:

- Creation of a new loan facility—the “Main Street Priority Loan Facility”—that appears to allow for slightly different purchase percentages (85% by special purpose vehicles (SPVs) and banks retain 15%), with most other terms appearing to be similar
- Clarification of the definition of an eligible borrower, which now includes an “ineligible business” concept that leverages guidance released under the Paycheck Protection Program (PPP) in April 2020
- Expansion of the eligibility threshold to allow up to 15,000 employees and $5 billion in revenue (from previous limitation of 10,000 employees and $2.5 billion in revenue)
- Various changes to the terms of the loans available under the different Main Street facilities
will continue to be accurate in the future. Applicability of the information to specific situations should be determined through consultation with your tax adviser.

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