

Federal Reserve Expands Main Street Lending Program to Include Nonprofit Organizations as Borrowers

July 31, 2020 James Markus, Ochuko Hope

PRACTICES Corporate, Finance, Asset-Based Lending

The Federal Reserve's Main Street Lending Program has recently been expanded to add two potential loan options, which will enable nonprofit organizations such as educational institutions, social service organizations and hospitals to receive financial support in addition to the previously announced programs benefiting for-profit entities. As described in a press release issued by the Federal Reserve dated July 17, 2020, the two potential loan options include (i) the Nonprofit Organization New Loan Facility ("NONLF"), pursuant to which nonprofit borrowers may request new single-lender loans and (ii) the Nonprofit Organization Expanded Loan Facility ("NOELF"), which is intended to "upscale" existing term loans or revolving credit facilities of nonprofit organizations and may also apply to lenders' interests in syndicated loan facilities. Term sheets for the NONLF and NOELF were released by the Federal Reserve (through the Federal Reserve Bank of Boston, which is implementing the program) (the "Federal Reserve") on July 17, 2020. Following that release, the Federal Reserve published on July 23, 2020 its initial [Frequently Asked Questions document](#) relating to those facilities (the "Nonprofit Businesses' FAQ").

[Read the full article here.](#)