

## The Federal Reserve Releases Additional Guidance, Terms, Conditions and Agreement Forms and Expands the Program to Allow for Broader Borrower Participation

---

June 10, 2020 James Markus, Alexander Grishman, Neal Kaminsky, Brent Beckert

---

**PRACTICES** Asset-Based Lending, Corporate, Private Equity, Finance

---

In preparation for the imminent launch of the Main Street Lending Program, the Federal Reserve (through the Federal Reserve Bank of Boston, which is implementing the program) issued updates on May 27, 2020 to the [Frequently Asked Questions document](#) (“**FAQ**”), originally published on April 30, 2020 and also provided additional guidance and form legal documents. Further revisions to the Main Street Lending Program, expanding it to allow more small and medium sized businesses to be able to receive support, were subsequently provided in a Press Release from the Federal Reserve Board dated June 8, 2020. The Main Street Lending Program is the small to mid-size business loan program established by the Federal Reserve and funded, in part, pursuant to the Coronavirus Aid, Relief, and Economic Security (“**CARES**”) Act signed by President Trump on March 27, 2020.

The Main Street Lending Program is comprised of three facilities that, in the aggregate, may originate up to \$600 billion in loans. The facilities include: (i) the Main Street New Loan Facility (“**MSNLF**”), pursuant to which borrowers may request new single-lender loans; (ii) the Main Street Priority Loan Facility (“**MSPLF**”), a loan program that permits borrowers to be more highly leveraged and requires lenders to retain a greater portion of the risk; and (iii) the Main Street Expanded Loan Facility (“**MSELF**”), which is intended to “upsize” existing term loans or revolving credit facilities and may apply to lenders’ interests in syndicated loan facilities. A special purpose vehicle (the “**Main Street SPV**”) established by the Federal Reserve with \$75 billion of committed capital has been created for the purpose of purchasing participation interests in a significant portion of each loan originated under the Main Street Lending Program. The key terms of the Main Street Lending facilities are summarized in this alert.

Read the full article [here](#).