

## Treasury and Federal Reserve Board Announce Establishment of the Main Street Business Lending Program

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

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On April 9, 2020, the Board of Governors of the Federal Reserve System (the “**Board**”) announced the establishment of the Main Street Business Lending Program (“**Main Street Loan Program**”), an up to \$600 billion lending program for mid-size businesses. The Department of the Treasury, using funding from the Coronavirus Aid, Relief, and Economic Security (“**CARES**”) Act, will provide \$75 billion in equity to a single common special purpose vehicle (“**SPV**”) in support of the Main Street Loan Program.

Below is a high-level summary of the provisions relating to the Main Street Loan Program, under which eligible lenders may either (i) originate new loans through the Main Street New Loan Facility (“**New Loan Facility**”) or (ii) use the program to increase the size of existing loans to businesses through the Main Street Expanded Loan Facility (“**Expanded Loan Facility**”) and, together with the New Loan Facility, the “**Facilities**”). Borrowers may participate in only one of the Facilities.

This summary is based on terms sheets released by the Federal Reserve on April 9, 2020. The Board and Secretary of the Treasury may make adjustments to the terms and conditions described in such term sheets, and further updates are expected with the release of formal regulations and guidance. Such guidance and regulations will provide further detail on the administration of the Main Street Loan Program and may materially change the summary below.

Read the full article [here](#).