

### **Background & Terms**

The CARES Act directs the Department of the Treasury and the Federal Reserve to [announce](#) details of new loans, loan guarantees, and other forms of financial assistance to companies and municipalities – including the new Main Street Business Lending Program that will leverage \$75 billion of the \$454 billion allocated by the Act to provide up to \$600 billion in loans to mid-size businesses.

Updated guidance on the Main Street Lending Program was issued on [June 8](#), and the Federal Reserve Bank of Boston updated its [FAQ page](#) and [program forms](#) on the new programs. The table below outlines loan details.

Main Street Lending Program Loan Options	New Loans	Priority Loans	Expanded Loans
<b>Term</b>	5 years		
<b>Minimum Loan Size</b>	\$250,000		\$10M
<b>Maximum Loan Size</b>	The lesser of \$35M, or an amount that, when added to outstanding and undrawn available debt, does not exceed 4.0x adjusted EBITDA	The lesser of \$50M, or an amount that, when added to outstanding or undrawn available debt, does not exceed 6.0x adjusted EBITDA	The lesser of \$300M, or an amount that, when added to outstanding or undrawn available debt, does not exceed 6.0x adjusted EBITDA
<b>Risk Retention</b>	5%	5%	5%
<b>Principal Repayment</b>	Principal deferred for two years, years 3-5: 15%, 15%, 70%	Principal deferred for two years, years 3-5: 15%, 15%, 70%	
<b>Interest Payments</b>	Deferred for one year		
<b>Rate</b>	LIBOR + 3%		

\*Source: Federal Reserve's June 8 [press release](#).

You can watch a recorded webinar for borrowers from the Fed Bank of Boston [here](#) (deck [here](#)). Forms for lenders and borrowers are available [here](#).

### **Operating Status**

On Monday June 15, the Boston Fed announced that their lender registration portal was open and that lenders could register to participate in the Main Street Programs. Once they have successfully registered for the program, the Fed expects lenders to begin making Main Street loans immediately. There is no plan to publish a list of participating lenders so you will have to check with your lender on its program status.

### **Frequently Asked Questions**

**Question:** What changes were made to the Borrower's legal documents on June 8?

**Answer:** Paragraph 4.A of the borrower certification now provides legal documentation clarification that broadly outlines how to comply with documentation requirements. Paragraph 5.C of borrower instructions now provides additional exceptions.

**Question:** Can you refinance an existing debt under MSL?

**Answer:** Yes, under certain conditions – it has to be debt owed to another lender, be done at origination, and only through the Priority Loan Facility.

**Question:** Will there be additional guidance on determining total compensation under the Main Street Lending Program?

**Answer:** Yes, it was a CARES Act requirement that is coming soon.

**Question:** Is outstanding PPP loan counted as debt for the purposes of this program, despite its likelihood to be forgiven?

**Answer:** Outstanding PPP loans do count as debt for the purposes of MSL.