



## Opening of Main Street Lending Program with Improved Terms

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On June 15, 2020, the Federal Reserve Bank of Boston announced the opening of the Main Street Lending Program for lender registration with the improved terms announced last week. The program is intended to benefit small and mid-sized businesses and will operate until September 30, 2020, unless extended by the Federal Reserve.

Loans under the improved program will be geared toward businesses with (i) up to 15,000 employees or (ii) \$5 billion or less in 2019 revenues. The program is divided into three categories that allow for a broader set of eligible borrowers and eligible terms summarized in the table below:

<b>Main Street Lending Program Loan Options</b>	<b>New Loan Facility</b>
<b>Loan Term</b>	
<b>Principal Payments</b>	
<b>Interest Payments</b>	
<b>Interest Rate</b>	
<b>Loan Size</b>	\$250,000 to \$35 million

<b>Maximum Combined Debt to Adjusted 2019 EBITDA</b>	4 times
<b>Lender Participation Rate</b>	
<b>Fed Participation Rate</b>	
<b>Prepayment Allowed</b>	
<b>Business Size Limits</b>	
<b>Fees</b>	

Businesses that have received PPP loans are permitted to borrow under the program, provided they are otherwise eligible borrowers.

The program may not be attractive for some lenders, and borrowers and interested parties should carefully consider the pros and cons of participating.

More details about the program, including program forms and FAQs published by the Federal Reserve Bank of Boston, are available on the [Boston Fed's website](#).

*Please note: This alert contains general, condensed summaries of actual legal matters, statutes and opinions for information purposes. It is not meant to be and should not be construed as legal advice. Readers with particular needs on specific issues should retain the services of competent counsel.*

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