

## Client Alert

### Federal Reserve Main Street Lending Program Now Fully Operational and Accepting Applications

July 7, 2020

The Federal Reserve Bank of Boston (the “[Boston Fed](#)”) announced on July 6, 2020 that the Main Street Lending Program (the “[Program](#)”) is now fully operational. The Boston Fed is purchasing, through a special purpose vehicle established specifically for the Program (the “[Program SPV](#)”), participation interests in eligible Program loans that lenders submit to the Program. Participating lenders are encouraged to begin submitting qualifying loans.

The Program facilitates lending to small and medium-sized businesses that were financially stable prior to the COVID-19 pandemic to assist those businesses in maintaining operations and payroll during the COVID-19 emergency period. Authorized under Title IV of the Coronavirus Aid, Relief, and Economic Security Act, the Program was originally announced on April 9, 2020 and has been expanded over the past months to make the Program more accessible to a broader range of businesses. The Program offers three types of five-year loans (with amounts ranging from \$250,000 to \$300 million) to businesses with up to 15,000 employees or \$5 billion in 2019 revenues. A further expansion of the Program is currently contemplated to make it accessible to non-profit organizations as well. The Program is limited by the total amount of participations that the Program SPV will purchase from participating lenders for all three loan facilities. The current limit is set at \$600 billion. The Program will remain active until September 30, 2020, unless it is extended by the Board of Governors of the Federal Reserve (the “[Federal Reserve](#)”) and the Department of Treasury.

In order to participate in the Program, lenders must first register at the [Program’s lender portal](#) by creating a lender account and submitting certain registration documents. Information for lenders is available on the [Boston Fed’s website](#).

A borrower interested in participating in the Program must submit an application to a participating lender and work with that lender to determine if the borrower meets the Program’s requirements *and* the lender’s underwriting standards. If approved, the participating lender will document and make the loan to the borrower and then sell 95% of the loan to the Program SPV. Information for borrowers is available at the [Boston Fed’s website](#).

The Boston Fed will publish in the coming days a state-by-state list of lenders who will accept applications from borrowers for a Program loan and who have elected to be listed.

The terms of the various Program loans are available on the [Federal Reserve’s website](#), and the operational documents are available at the [Boston Fed’s website](#).

For more information, please contact the professional(s) listed below, or your regular Crowell & Moring contact.

**Scott Lessne**

Senior Counsel – Washington, D.C.

Phone: +1.202.624.2597

Email: [slessne@crowell.com](mailto:slessne@crowell.com)

**James G. Flood**

Partner – Washington, D.C.

Phone: +1.202.624.2716

Email: [jflood@crowell.com](mailto:jflood@crowell.com)

**Manuela Siragy**

Counsel – Washington, D.C.

Phone: +1.202.624.2836

Email: [msiragy@crowell.com](mailto:msiragy@crowell.com)

**Nicholas James**

Senior Counsel – Washington, D.C.

Phone: +1.202.624.2959

Email: [njames@crowell.com](mailto:njames@crowell.com)