



Latest on the Main Street Lending Program – June 9, 2020

Yesterday, the Federal Reserve expanded its Main Street Lending Program to allow more small and medium-sized businesses to be able to receive support. The Fed lowered the minimum loan amount, raised the maximum loan limit, adjusted the principal repayment schedule to begin after two years, and extended the term to five years, providing borrowers with greater flexibility in repaying the loans. The Fed expects the Main Street program to be open for lender registration *soon* and to be actively buying loans shortly afterwards. Once they have successfully registered for the program, lenders are encouraged to begin making Main Street loans *immediately*.

The changes include:

- Lowering the minimum loan size for certain loans to \$250,000 from \$500,000;
- Increasing the maximum loan size for all facilities;
- Increasing the term of each loan option to five years, from four years;
- Extending the repayment period for all loans by delaying principal payments for two years, rather than one; and
- Raising the Reserve Bank's participation to 95% for all loans.

For more information on these changes, click [HERE](#).