

Main Street Lending Program Update: Minimum Loan Size for Certain Facilities Available to For-Profit and Non-Profit Borrowers Reduced from \$250,000 to \$100,000

The Federal Reserve announced on October 30, 2020 that the minimum loan size for three Main Street Lending Program facilities available to for-profit and nonprofit borrowers, (1) the Main Street New Loan Facility (MSNLF), (2) the Main Street Priority Loan Facility (MSPLF) and (3) the Nonprofit Organization New Loan Facility (NONLF), has been reduced from \$250,000 to \$100,000. The fee structure for loans with a principal amount of less than \$250,000 has been adjusted to encourage the provision of these smaller loans.

In addition, the For-Profit Business Frequently Asked Questions and Nonprofit Organization Frequently Asked Questions were amended to, among other things, enable lenders and borrowers to exclude certain Paycheck Protection Program (PPP) loans of up to \$2 million from the calculation of “outstanding debt” for purposes of determining maximum loan size, if certain requirements are met (FAQ G.16).

The applicable Main Street Lending Program Forms and Agreements have now been updated and are available, together with comparisons showing changes, [here](#).

For an overview of the Main Street Lending Program, please read our prior information memos [here](#), [here](#) and [here](#).

The attorneys at Bond, Schoeneck & King can help by answering your questions regarding the Main Street Lending Program and whether your business or nonprofit organization meets the Program's eligibility criteria. Please contact [Jeffrey B. Scheer](#), [Anna W. Richards](#), any of the [attorneys](#) in the [Business and Transactions practice](#) or the attorney at the firm with whom you are regularly in contact.



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