



## First Details on Main Street Lending Program for Mid-Sized Businesses

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The Federal Reserve (Fed) this morning released details regarding its "Main Street" business lending program aimed at mid-sized businesses.

Under the term sheet, the loans would be geared toward businesses with up to 10,000 employees and \$2.5 billion in revenues for 2019.

The Main Street loans would be a minimum of \$1 million and a maximum of either \$25 million or an amount that "when added to the Eligible Borrower's existing outstanding and committed but undrawn debt, does not exceed four times the Eligible Borrower's 2019 earnings before interest, taxes, depreciation, and amortization," whatever is less, according to the release.

The total dollar amount geared to the program is \$600 billion.

Terms would see an interest rate equal to the Fed's Secure Overnight Financing Rate, currently 0.01%, plus 250-400 basis points, with a four-year maturity.

A special-purpose vehicle that the Fed created jointly with the Treasury Department will purchase 95% of the loan while the financing institution would hold the other 5%.

**Click here to view** the Federal Reserve term sheet for the Main Street program.

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