

Boston Fed Announces Main Street Lending Program is Fully Operational

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Recently, the Federal Reserve Bank of Boston established the Main Street Lending Program (MSLP). The MSLP offers five-year loans (or four-year loans, if the loan was made in reliance on the original April 30th term sheets and funded on or before June 10) with the goal of keeping credit flowing to small- and mid-sized businesses that were in sound financial condition prior to the COVID-19 pandemic, yet now need financing to maintain operations. One way these loans differ from PPP loans is that they will not be forgiven. Under the MSLP, the Federal Reserve Bank of Boston has formed MS Facilities LLC as a special purpose vehicle to purchase up to \$600 billion of participations in eligible loans between now and September 30, 2020. [Borrowers, click here to become familiar with MSLP and how it can support your business.](#)

Following the June 15 opening of the Main Street Lending Program (MSLP) to lender registration, the Fed is ready to purchase 95% participations in qualifying loans submitted by eligible registered lenders until September 30.

Notably, in submitting a loan for the purchase of a participation, a lender must state whether the loan was made in reliance on the original April 30 MSLP term sheets (which provide, among other terms that have since been updated, for four-year loan terms) or the updated June 8 term sheets (providing for, among other terms, five-year loan terms). Eligible loans made in reliance on the April 30th term sheets and funded on or before June 10 will be accepted for purchase of a participation only during the first 14 days of the MSLP's operation, beginning July 6.

We expect the Fed to circulate a state-by-state list of all registered and participating Main Street lenders who are accepting new business customers under the MSLP and have elected to be listed in the coming days. If you are an interested and qualified lender and want to get on the distribution list, your time to register in advance of that publication is of the essence. [Lenders, click here to review MSLP forms and agreements and complete your registration.](#)