

Fed's Main Street Lending Program is now fully operational for loans to nonprofit organizations

Lenders encouraged to begin submitting qualifying loans to nonprofit organizations as well as for-profits

September 4, 2020

The Federal Reserve Bank of Boston on Friday announced that the Main Street Lending Program is now fully operational and is accepting submissions of eligible loans to nonprofit organizations, submitted by registered lenders.

The Federal Reserve encourages registered lenders to begin submitting qualifying loans to nonprofit organizations and to continue submitting loans to for-profit entities.

The program has been purchasing participations in loans to for-profit businesses since July 6. In the second half of July the Federal Reserve Board announced that the Main Street program would offer two new

loan options to support a broad set of nonprofit organizations. The program infrastructure has now been modified to accommodate the intake of these loan submissions.

“Nonprofit entities – including most hospitals, educational institutions, and social service organizations – play critical roles in our society and our economy, while employing a significant share of the country’s workforce,” said Eric Rosengren, president of the Boston Federal Reserve Bank, which is administering the program for the Federal Reserve System.

The Main Street Lending Program is designed to help credit flow to small- and medium-sized for-profit businesses and nonprofit organizations that were in sound financial condition prior to the pandemic.

Once issued by eligible lenders, the Federal Reserve purchases 95% of the loan, while the lender retains 5%. The borrower pays no interest until year two and no principal until year three. The program requires lenders to evaluate a borrower’s financial condition and creditworthiness based on the terms of the Main Street program and the lenders’ own underwriting standards.

Both the nonprofit organization *New* Loan Facility and *Expanded* Loan Facility (“NONLF” and “NOELF”, respectively) are now fully operational, and the Main Street Special Purpose Vehicle is ready to purchase participations in eligible loans made to nonprofit organizations that are submitted through the Lender Portal by eligible lenders.

In addition, the nonprofit facilities FAQs ([/-/media/Documents/special-lending-facilities/mslp/legal/frequently-asked-questions-faqs-nonprofit.pdf?la=en](#)) and Instructions for Lender Required Documentation ([/-/media/Documents/special-lending-facilities/mslp/legal/instructions.pdf?la=en](#)) were amended to reflect that the NONLF and NOELF are now operational. You can see what changed in the Nonprofit Organization FAQs

([/-/media/Documents/special-lending-facilities/mslp/legal/frequently-asked-questions-faqs-nonprofit-comparison.pdf?la=en](#)) and in the Instructions for Lender Required Documentation ([/-/media/Documents/special-lending-facilities/mslp/legal/instructions-comparison.pdf?la=en](#)).

Interested lenders and borrowers can visit [www.bostonfed.org/mslp \(/supervision-and-regulation/credit/special-facilities/main-street-lending-program.aspx\)](http://www.bostonfed.org/mslp(/supervision-and-regulation/credit/special-facilities/main-street-lending-program.aspx)) to find program information, including frequently asked questions, and can subscribe for e-mail updates. Inquiries about the program can be emailed to MSLP@bos.frb.org (<mailto:MSLP@bos.frb.org>).

In addition, public comments received on the NONLF and NOELF Term Sheets (in the June 15, 2020 to July 17, 2020 public comment period) are now available here (<https://www.federalreserve.gov/monetarypolicy/mainstreetlending.htm>).

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Main Street Lending Program

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