



Main Street Lending Program

The program will operate through three facilities (loan programs):

- the Main Street New Loan Facility (MSNLF)
- the Main Street Priority Loan Facility (MSPLF)
- and the Main Street Expanded Loan Facility (MSELF)

All three use the same eligibility criteria, and have many of the same features, including the same maturity, interest rate, deferral of principal and interest, and ability of the borrower to prepay without penalty.

Eligible Businesses

Businesses with significant operations in and a majority of employees based in the United States may be eligible for loans if they were established prior to March 13, 2020, and meet either of the following conditions: (1) the business has 15,000 employees or fewer; or (2) the business had 2019 revenues of \$5 billion or less. Loans issued under the program will have a four-year maturity, and principal and interest payments on the loans will be deferred for one year.

Required Borrower Certifications and Covenants

- Commit to refrain from repaying the principal balance of, or paying any interest on, any debt until the eligible loan is repaid in full, unless the debt or interest payment is mandatory and due.
- Commit that it will not seek to cancel or reduce any of its committed lines of credit with the eligible lender or any other lender.
- Certify that it has a reasonable basis to believe that, as of the date of origination of the eligible loan and after giving effect to such loan, it has the ability to meet its financial obligations for at least the next 90 days and does not expect to file for bankruptcy during that time period.
- Commit that it will follow compensation, stock repurchase, and capital distribution restrictions that apply to direct loan programs under section 4003(c)(3)(A)(ii) of the CARES Act, except that an S corporation or other tax pass-through entity that is an Eligible Borrower may make distributions to the extent reasonably required to cover its owners' tax obligations in respect of the entity's earnings.
- Make commercially reasonable efforts to maintain its payroll and retain its employees during the time the eligible loan is outstanding.
- Certify that it is eligible to participate in the facility, including in light of the conflicts of interest prohibition in section 4019(b) of the CARES Act.

Program Options

	New Loans (MSNLF)	Priority Loans (MSPLF)	Expanded Loans (MSELF)
Loan Provider	Bank	Bank	Bank
Eligible Businesses	Less than 15,000 employees and \$5 Billion in Revenue	Less than 15,000 employees and \$5 Billion in Revenue	Less than 15,000 employees and \$5 Billion in Revenue
Term	5 Years	5 Years	5 Years
Application Deadline	Sept. 30, 2020	Sept. 30, 2020	Sept. 30, 2020
Minimum Loan Size	\$250,000	\$250,000	\$10,000,000
Maximum Loan Size	Lesser of \$35M & 4x EBITDA minus existing outstanding and undrawn available debt	Lesser of \$50M & 6x EBITDA minus existing outstanding and undrawn available debt	Lesser of \$300M & 6x EBITDA minus existing outstanding and undrawn available debt
Bank Risk Retention	5%	5%	5%
Loan Deferral Period (interest will accrue and be added to principal)	12 Months	12 Months	12 Months
Payment (principal + accrued interest)	Years 3-5: 15%, 15%, 70%	Years 3-5: 15%, 15%, 70%	Years 3-5: 15%, 15%, 70%
Rate	LIBOR + 3%	LIBOR + 3%	LIBOR + 3%
Upfront Fees	Up to 2%	Up to 2%	Up to 1.5%
Prepayment Penalty	No	No	No
Loan Forgiveness	No	No	No

** Borrower must have an existing term loan or revolving credit facility with lending institution*

Get Started

The Arkansas Small Business and Technology Development Center can help businesses with the Main Street Lending Program. We are available to assist you virtually by phone, email, or videoconference. Contact your consultant or complete our online signup at asbtdc.ecenterdirect.com/signup.

asbtdc.org | 800.862.2040

The Arkansas Small Business and Technology Development Center is funded in part through a cooperative agreement with the U.S. Small Business Administration through a partnership with the University of Arkansas at Little Rock College of Business and other institutions of higher education. All programs are extended to the public on a non-discriminatory basis.

