

OVERVIEW

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 facilities use the same Eligible Lender and Eligible Borrower 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. The Federal Reserve is authorized to purchase up to \$600 billion of participations in Eligible Loans from Eligible Lenders.

ELIGIBLE BUSINESSES

U.S. businesses, with significant operations in and a majority of its 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

The Eligible Borrower must:

- 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

OVERVIEW	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	4 Years	4 Years	4 Years
Application Deadline	September 30, 2020	September 30, 2020	September 30, 2020
Minimum Loan Size	\$500,000	\$500,000	\$10,000,000
Maximum Loan Size	Lesser of \$25M & 4x EBITDA minus existing outstanding and undrawn available debt	Lesser of \$25M & 6x EBITDA minus existing outstanding and undrawn available debt	Lesser of \$25M & 6x EBITDA minus existing outstanding and undrawn available debt or 35% of existing outstanding and undrawn available debt
Bank Risk Retention	5%	15%	5%
Loan Deferral Period (Interest will accrue and be added to principal)	12 Months	12 Months	12 Months
Payment (principal + accrued interest)	Years 2-4: 33.33% each year	Years 2-4: 15%, 15%, 70%	Years 2-4: 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

NEXT STEPS

- Review your options as listed in this document.
- Contact your local Missouri SBDC office to speak with a business consultant. There are offices located throughout Missouri, serving every county. During this time, consultants are available via phone, email or video-conference.
- Your business consultant can help you prepare for the application process by helping you understand financial statements necessary to apply.

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ABOUT THE MISSOURI SBDC

The Missouri Small Business Development Center (SBDC) helps business owners make confident decisions.

Our knowledgeable professionals offer training and intensive, personalized assistance focused on your business success.

PARTNERSHIPS ACROSS THE STATE SERVING OUR SMALL BUSINESSES

