



AMERICAN COUNCIL OF ENGINEERING COMPANIES
of North Carolina

Federal Reserve Issues Details of a New Program for Large Firms

The Federal Reserve has just released details on a program through the CARES Act intended to improve liquidity for firms with more than 500 employees. That information can be accessed [here](#) and is summarized below:

The Main Street Lending Program will enhance support for small and mid-sized businesses that were in good financial standing before the crisis by offering 4-year loans to companies employing up to 10,000 workers or with revenues of less than \$2.5 billion. Principal and interest payments will be deferred for one year. Eligible banks may originate new Main Street loans or use Main Street loans to increase the size of existing loans to businesses. Banks will retain a 5 percent share, selling the remaining 95 percent to the Main Street facility, which will purchase up to \$600 billion of loans. Firms seeking Main Street loans must commit to make reasonable efforts to maintain payroll and retain workers. Borrowers must also follow compensation, stock repurchase, and dividend restrictions that apply to direct loan programs under the CARES Act. Firms that have taken advantage of the PPP may also take out Main Street loans.

The site also includes information on support for state and local governments to improve liquidity, which is an issue of concern we've heard from members.