

Main Street Lending Program Expands to Support Greater Access for Nonprofit Organizations

On Friday, the Federal Reserve announced two new loan options under the Main Street Lending Program. The options make loans available to accommodate a wider range of nonprofit organizations that are ineligible for Paycheck Protection Program loans. The minimum employment threshold has been lowered and financial restrictions have been eased. Some of the key eligibility requirements are that the nonprofit organizations: (a) be described in Sec. 501(c)(3) or 501(c)(19) of the Internal Revenue Code; (b) have been in continuous existence since January 1, 2015; (c) have at least 10 employees; and (d) have total non-donation revenues equal to or greater than 60% of expenses for the period from 2017 through 2019.

Loans under the [Nonprofit Organization New Loan Facility](#) vary from \$250,000 to \$35 million. The [Nonprofit Organization Expanded Loan Facility](#) provides loans varying from \$10 million to \$300 million. Interest payments are deferred for one year. Principal payments on all loans are deferred for two years, with years three to five requiring 15%, 15%, and 70% principal payments, respectively. Eligible nonprofits may secure a loan from an [eligible lender](#).

See the [Nonprofit Organization New Loan Facility](#) and the [Nonprofit Organization Expanded Loan Facility](#) term sheets for more information on borrower and loan eligibility.

The Federal Reserve intends to release more information to support interested nonprofits in the coming days.

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