

Federal Reserve Moves to Assist Larger Businesses

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The Federal Reserve has unveiled its \$600 billion Main Street lending effort for businesses with up to 10,000 employees and up to \$2.5 billion in 2019 annual revenue.

Here is what we know so far:

- The loans will be made available, as has been the case with the Paycheck Protection Program, through financial institutions, not directly from the government.
- The minimum loan size is \$1 million with a maximum of up to \$150 million, depending on the borrower's current outstanding debt.
- Amortization or principal and interest are deferred for one year.
- The loans will have a four-year maturity, low adjustable rates, and prepayment can be made without penalty.
- The CARES Act restrictions regarding compensation, stock repurchase, and dividend are applicable.

There are many other requirements and limitations that each business owner will need to consider, and we are monitoring the rollout of this program. Please contact any of the authors of this article or any member of the Carlton Fields team to discuss how this program may assist your business.

Authored By



Kenneth A. Tinkler



Patricia M. Carreiro



Benjamin E. Stearns

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