



# Larger Businesses and COVID-19: Financial Relief and Assistance Resources

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This CRS Insight presents selected resources and CRS products potentially relevant to medium and large businesses directly affected by the Coronavirus Disease 2019 (COVID-19) pandemic seeking economic relief and assistance.

The [Coronavirus Aid, Relief, and Economic Security \(CARES\) Act](#), enacted on March 27, 2020, contains provisions to assist businesses. This Insight focuses on potential sources of assistance designated for medium and large businesses that do not qualify for Small Business Administration programs or other assistance programs for small businesses. For small business assistance programs, see CRS Insight IN11301, *Small Businesses and COVID-19: Relief and Assistance Resources*, by Maria Kreiser.

Note that this Insight may not include every instance of federal assistance to medium or large firms provided in response to the COVID-19 pandemic.

## Selected Resources

### Department of Treasury

The Treasury's [Preserving Jobs for American Industry resource page](#) describes two programs that provide federal grants, loans, or loan guarantees directly to select businesses affected by the COVID-19 pandemic—the Payroll Support Program and the CARES Act Loan Program. Both programs were announced on [March 30, 2020](#).

### Payroll Support Program

The [Payroll Support Program](#) benefits airline industry employees only, providing up to \$25 billion for [passenger air carriers](#), \$4 billion for cargo air carriers, and \$3 billion for airport contractors, including those that provide food, security, ticketing, and cleaning services to air carriers. The details of the assistance are outlined in three documents released [April 2, 2020](#), [April 3, 2020](#), and [April 20, 2020](#). Applications were accepted [online](#) until April 27, 2020, and Treasury began providing [payment data for individual recipients](#) on May 12, 2020.

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## CARES Act Loan Program

The [CARES Act Loan Program](#) has limited eligibility, and it provides up to \$25 billion for passenger air carriers, \$4 billion for cargo air carriers, and \$17 billion for [businesses critical to national security](#). Treasury released procedures and minimum requirements for the program on [March 30, 2020](#), a frequently asked questions document on [April 6, 2020](#), and then opened the [online application](#) on April 8, 2020. Applications received after April 30, 2020, are considered at the discretion of the Secretary of the Treasury.

In general, companies that apply for assistance must, among other things, be part of the specified industries, maintain their current employment levels until at least September 30, 2020, and suspend stock buybacks and dividend payments until September 30, 2021 (for payroll support) or until one year after the loan received is repaid (for the loan program).

For a more on these CARES Act assistance provisions see CRS Report R46329, *Treasury and Federal Reserve Financial Assistance in Title IV of the CARES Act (P.L. 116-136)*, coordinated by Andrew P. Scott.

## Federal Reserve System

The Federal Reserve System's [COVID-19 resource page](#) outlines the actions the Fed has taken in response to the pandemic. Three [emergency funding, credit, liquidity, and loan facilities](#) that could potentially assist medium and large corporations are described below.

### Main Street Lending Program

The [Main Street Business Lending Program](#) benefits businesses that were in “good financial standing” with their lending institutions before the pandemic. To receive loans under this program, the business must have no more than 15,000 employees or had no more than \$5 billion in revenue in 2019.

Once fully operational, it will run through three facilities, the [Main Street New Loan Facility](#) (MSNLF), the [Main Street Priority Loan Facility](#) (MSPLF), and the [Main Street Expanded Loan Facility](#) (MSELF), with eligible lenders (e.g., banks) making loans to eligible borrowers (i.e., businesses). The MSNLF and MSPLF assistance targets new loan financing and the MSELF targets existing loan financing.

In general, businesses are eligible if they were established in the United States before March 13, 2020, and have the majority of their operations and employees there. They may apply through the MSNLF and MSPLF for five-year term loans for amounts between \$250,000 and \$50 million (originated *after* April 24, 2020) and through the MSELF for loans between \$10 million and \$300 million (originated *on or before* April 24, 2020), with all loan amounts capped by their existing debt levels and ratios.

Businesses applying for assistance using the Main Street Lending Program may participate in only *one* facility ([MSNLF](#), [MSPLF](#), or [MSELF](#)). The Main Street Lending Program was announced [April 9, 2020](#). The Fed accepted [comments](#) until [April 16, 2020](#), and expanded the scope and eligibility of the program on [April 30, 2020](#) (adjusted loan amounts); [June 8, 2020](#) (extended credit to small- and medium-sized businesses); and [June 15, 2020](#) (began accepting [comments](#)—until June 22, 2020—on a proposal to expand the program to nonprofit organizations, via two more facilities: the Nonprofit Organization New Loan Facility, or [NONLF](#), and the Nonprofit Organization Expanded Loan Facility, or [NOELF](#)).

The Main Street Lending Program began accepting [lender registrations](#) on [June 15, 2020](#).

Details on the eligibility and operational status of these facilities and their expansions are provided in a regularly updated Main Street Lending Program [Frequently Asked Questions](#) document.

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## Commercial Paper Lending Facility

The [Commercial Paper Lending Facility](#) (CPFF) will purchase commercial paper (short-term debt) from eligible corporations until March 17, 2021. The terms and conditions, released [March 17, 2020](#), and updated [March 23](#), describe eligibility requirements. The purchases are made through the Fed's [primary dealers](#), rather than directly from the businesses themselves.

In general, issuers of U.S. commercial paper, including municipal issuers and U.S. issuers with a foreign parent company, are eligible if their paper held a high credit rating on March 17, 2020, the day the program was announced.

The facility began making purchases on [April 14, 2020](#).

## Corporate Credit Facilities

The [Primary Market Corporate Credit Facility](#) (PMCCF) and the [Secondary Market Corporate Credit Facility](#) (SMCCF) are to support corporate bond markets by buying corporate debt. The PMCCF is to purchase newly issued debt, and the SMCCF is to purchase already existing debt.

In general, businesses [may participate](#) in these facilities if their corporate credit rating was investment grade on March 22, 2020, the day before the program was announced.

Firms participating in Main Street Lending may *not* participate in the PMCCF.

The SMCCF, operated by the [New York Fed](#), began purchasing exchange-traded funds (ETFs) on [May 12, 2020](#), and corporate bonds on [June 16, 2020](#). The PMCCF is not yet operational.

Eligibility for the CPFF, PMCCF, and SMCCF is not limited by firm size, but firms must have already been active issuers in these markets before COVID-19. Generally, larger firms are more likely to have been issuers.

For more information on these programs, see CRS Report R44185, *Federal Reserve: Emergency Lending*, by Marc Labonte, and CRS Insights on [Federal Reserve emergency lending](#), [commercial paper](#), and [corporate bond markets](#).

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