



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

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This CRS Insight presents selected resources and CRS products on economic relief and assistance for medium and large businesses that were directly affected by the Coronavirus Disease 2019 (COVID-19) pandemic.

The [Coronavirus Aid, Relief, and Economic Security \(CARES\) Act](#), enacted on March 27, 2020, contains provisions to assist businesses. This Insight focuses on 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

### 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](#)—which ended on [January 8, 2021](#)—benefitted businesses that were in “good financial standing” with their lending institutions before the pandemic. The 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 [July 17, 2020](#) (extended credit to nonprofit organizations).

The Main Street Lending Program began accepting [lender registrations](#) on [June 15, 2020](#), and three credit facilities became fully operational on [July 6, 2020](#)—the [Main Street New Loan Facility](#) (MSNLF), the

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[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).

Details on the eligibility and operational status of all the facilities and their expansions were provided in regularly updated Main Street Lending Program Frequently Asked Questions documents ([for-profit](#) and [non-profit](#)) and on the Federal Reserve Bank of Boston's [website](#). The five operating facilities ended on [January 8, 2021](#).

For more information on these programs, see CRS In Focus IF11632, *The Federal Reserve's Main Street Lending Program*.

### Commercial Paper Lending Facility

The [Commercial Paper Lending Facility](#) (CPFF) will purchase commercial paper (short-term debt) from eligible corporations until March 31, 2021. The terms and conditions, released [March 17, 2020](#), and updated [March 23](#), describe eligibility requirements. The facility began making purchases through the Fed's [primary dealers](#) on [April 14, 2020](#).

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.

For more information on this program, see CRS Insight IN11332, *COVID-19: Commercial Paper Market Strains and Federal Government Support*.

### Corporate Credit Facilities

The [Primary Market Corporate Credit Facility](#) (PMCCF) and the [Secondary Market Corporate Credit Facility](#) (SMCCF)—both of which ended [December 31, 2020](#)—supported corporate bond markets by buying corporate debt. The PMCCF purchased newly issued debt, and the SMCCF purchased already existing debt.

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 began operating [June 29, 2020](#).

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

Eligibility for the CPFF, PMCCF, and SMCCF was 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 Insight IN11275, *COVID-19 and Corporate Debt Market Stress*.

### Department of the 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 four documents released [April 2, 2020](#), [April 3, 2020](#), [April 20, 2020](#), and [July 14, 2020](#). Applications were accepted online until April 27, 2020, and Treasury began providing [payment data for individual recipients](#) on May 12, 2020.

For more information on the program, see CRS Insight IN11482, *CARES Act Payroll Support to Air Carriers and Contractors*, and CRS Report R46483, *Addressing COVID-19 Pandemic Impacts on Civil Aviation Operations*.

## CARES Act Loan Program

The [CARES Act Loan Program](#) has limited eligibility, and 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](#), frequently asked questions documents on [April 6, 2020](#) and [July 15, 2020](#), and accepted online applications between April 8 and April 30, 2020. [Loan recipients and detailed reports](#) on the aid received were subsequently made available.

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)*, and CRS Insight IN11422, *Restrictions on Compensation Under the CARES Act*.

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