Statement from Secretary Steven T. Mnuchin on Main Street Programs to Support Lending to Nonprofit Organizations

June 16, 2020

WASHINGTON – U.S. Treasury Secretary Steven T. Mnuchin issued the following statement on the announcement that the Federal Reserve Board will seek public feedback on a proposal to expand the Main Street Lending Program to provide access to credit for nonprofit organizations:

“Nonprofit organizations play a vital role in our economy and our society, and often are on the frontlines of our nation’s response to COVID-19. Many now face serious financial strains resulting from the disruptions to economic activity caused by the pandemic. With the support of the Treasury Department, the Board of Governors of the Federal Reserve System is seeking public feedback on a proposed expansion of the Main Street Lending Program to facilitate lending to U.S. nonprofit organizations through the creation of two new loan options: the Nonprofit New Loan Facility, and the Nonprofit Expanded Loan Facility. Like the existing Main Street facilities open to small and medium-sized businesses, the proposed Main Street nonprofit facilities would be supported by the Department’s $75 billion investment of loss-protecting capital under authority provided by the CARES Act. Terms for loans in the proposed nonprofit lending facilities are the same as for Main Street loans to for-profit businesses, but borrower eligibility requirements would be modified to correspond with the operational and accounting practices of the nonprofit sector.”

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