

# Helping Make the Main Street Lending Program a Lifeline for Mid-Sized Businesses

Economic prediction is a dangerous profession, but when Federal Reserve Chair Jerome Powell says he's "[not even thinking about thinking about](#)" raising interest rates you know he's signaling something about the dire state of the economy. Like previous responses to emergency economic crises, we must utilize every available policy and monetary tool to help save jobs while stabilizing American businesses and the wider economy.

The issue that must be addressed is the precipitous drop in customers leading to serious cash flow problems. The U.S. Chamber's [latest survey of small businesses](#) found that 56% of small businesses are not comfortable with their current cash flow, as compared to the average of over 80% who were comfortable with their cash flow pre-pandemic. The administration, Congress, and the U.S. Treasury addressed this problem early on and passed the CARES Act. That legislation provided funding for small businesses through the Paycheck Protection Program (PPP), through contingent forgivable loans for businesses with no more than 500 employees.

Last week, the Federal Reserve launched the [Main Street Lending Program](#) (MSLP) to support midsize businesses that were in sound financial condition before the pandemic. After announcing its intent to establish the program in early April, the Fed made several changes to the program's terms to accommodate more businesses. Yesterday, the Chamber's Center for Capital Markets Competitiveness (CCMC) sent a [letter to Treasury and the Federal Reserve](#) recommending expansion of the nonprofit organization MSLP facilities to include all 501(c) organizations, including 501(c)(6)s and expanding eligibility to smaller nonprofits by lowering the threshold for the minimum number of employees to 10. These changes, together with adequate oversight and lessons learned from the PPP, will help ensure that many midsize companies can meet payroll and stay in business.

The financial services sector is a critical contributor to our economic recovery through Federal Reserve lending facilities designed to combat the economic impact of the coronavirus. The financial services sector — acting as an intermediary for the federal government — has already helped millions of small businesses and sole proprietors across the country through the PPP and is ready to do the same under the Main Street Lending Program.

With robust oversight and the latest adjustments, the new program could serve as a lifeline for mid-sized businesses the same way the PPP did for small businesses. Rest assured, the financial sector is here to play its part to ensure American businesses have the funding to weather this storm and, one day, return better than ever. Together, we can do this.

You can read the entirety of the blog I penned today [here](#).

—Tom Quadman, Executive Vice President, CCMC