



TO: NAW Direct Members

FROM: NAW Government Relations Team

Latest on Main Street Lending Program:

At 10:00 AM Eastern this morning the Fed issued a press release on the Main Street Lending Program, along with new term sheets. While we are still reviewing the information and have not yet completed a thorough analysis, we wanted to get it to you as quickly as possible.

The Fed's press release indicates that they plan to significantly expand the MSLP, including creating new lending programs. In addition, there are several specific changes in the MSLP term sheets, including fixes to the S Corp and undrawn credit problems which NAW and others urged them to address. Those adjustments, and others, are significant:

- They modified the ban on capital distributions to specifically exempt S Corporations that make distributions to shareholders
- They changed the undrawn credit language, now referring to "available" credit, apparently addressing a concern that NAW members raised on the issue; the language is being reviewed to determine if it adequately fixes the problem
- They increased the maximum annual revenue from \$2.5 billion to \$5 billion for qualifying businesses

To see the Fed's press release, along with the new term sheets and a long FAQ document, go to:

<https://www.federalreserve.gov/newsevents/pressreleases/monetary20200430a.htm>

We will send you additional information and analysis later today.

May 28 NAW Webinar on Economic Outlook:

We are partnering with NAW senior economic advisor Alan Beaulieu to produce a second critical economic forecast webinar. This webinar, "Distribution Post COVID-19 Outlook," will run Thursday, May 28, from 3:00 to 4:30 PM EDT. Seats are limited, so if you are interested, please purchase your seat today at: www.naw.org/distribution-post-covid-19

[Click here](#) for links to Critical Updates sent previously.

Many thanks—

*Jade West, Chief Government Relations Officer
Blake Adami, Vice President-Government Relations
Seth Waugh, Associate Vice President-Government Relations
National Association of Wholesaler-Distributors*

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*NAW
1325 G Street NW #1000
Washington, DC 20005*