A Missed Opportunity for Main Street

How the Fed's Main Street Lending Program Failed to Meet Expectations

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ACKNOWLEDGMENTS

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Executive Summary

On March 27, 2020, the Coronavirus Aid, Relief, and Economic Security (CARES) Act was signed into law in response to the economic fallout caused by the COVID-19 pandemic. In the CARES Act, Congress made up to $454 billion available to support Federal Reserve (Fed) emergency lending facilities, including a Main Street Lending Program (MSLP) to support small and mid-sized businesses.[1] Mid-sized businesses in the United States account for roughly one-third of private sector GDP and employ about 44.5 million people.[2]

Because the Paycheck Protection Program (PPP) supported small businesses with fewer than 500 employees and the Secondary Market Corporate Credit Facility (SMCCF) supported large businesses with access to the corporate bond market, policymakers predicted that mid-sized businesses would fall into a gap between the two programs. The MSLP was intended to fill this gap by supporting businesses that were too small to issue bonds but were too large to benefit from PPP, offering loans to companies with 15,000 employees or fewer or 2019 annual revenue of $5 billion or less.[3]

When lawmakers conceived of the MSLP in the CARES Act, the overarching goals of the program were to support jobs and operations at businesses that needed financial support due to the economic downturn caused by the pandemic. Unfortunately, issues with the Fed's design and rollout of the program led the MSLP to fall short of lawmakers' expectations.

In the CARES Act, lawmakers included guidelines to ensure that workers would benefit from MSLP loans and that the program would only support companies that were facing financial difficulties due to the pandemic. Lawmakers specified that, among other things, companies applying for loans should be required to make "good-faith certification[s] that":

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[1] Coronavirus Aid, Relief, and Economic Security Act, H.R. 748, 116th Cong. § 4003(b)(4)(2020) https://bit.ly/2PMEKkR [hereinafter CARES Act].

[2] The Status of the Federal Reserve Emergency Lending Facilities, U.S. Senate Committee on Banking, Housing and Urban Affairs, 116th Congress, 10 (2020) (statement of Hal S. Scott, Emeritus Professor, Harvard Law School) https://bit.ly/30v7wZn.

[3] Eric Rosengren, The Economic Outlook – Optimism Despite the Challenges Ahead, Speech before The Greater Boston Chamber of Commerce 10 (January 12, 2021), https://bit.ly/2PRQHG7.

a) The uncertainty of economic conditions as of the date of the application makes necessary the loan request to support ongoing operations;

b) The funds it receives will be used to retain at least 90 percent of the recipient's workforce, at full compensation and benefits, until Sept. 30, 2020; and

c) The recipient intends to restore not less than 90 percent of the workforce of the recipient that existed as of Feb. 1, 2020.[4]

Additionally, Federal Reserve regulations require borrowers to demonstrate that they are "unable to secure adequate credit accommodations from other banking institutions,"[5] which the Fed later clarified includes situations in which the "amount, price, or terms of credit available from other sources are inadequate for the borrower's needs during the current unusual and exigent circumstances."[6]

Although the CARES Act gave Treasury Secretary Steve Mnuchin the power to adjust the terms of the MSLP as he saw fit, the intention of lawmakers in establishing a lending program for small and mid-sized businesses was clear. MSLP was meant to support companies that needed loans due to the pandemic and would use some portion of loaned funds retain employees. Our analysis of the program suggests that the MSLP largely failed to meet these goals.

In this report, we discuss data on layoffs, firm size, loan distribution, and borrowers' participation in other COVID-19 relief programs. Our findings suggest that the MSLP did not prioritize companies facing the greatest financial need, and that workers often failed to benefit from the program. We discuss changes to program rules that were implemented after the fossil fuel industry lobbied for revisions to the MSLP term sheet and suggest that these revisions were in part responsible for the program's failure to meet its goals.

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[4] CARES Act at § 4003(c)(3)(D) https://bit.ly/3rMCVTn.
[5] 12 CFR § 201.4 https://bit.ly/3l4UTxS.
[6] MAIN STREET LENDING PROGRAM FREQUENTLY ASKED QUESTIONS 49, (DEC. 29, 2020) https://bit.ly/3veU4qD.

Key Findings

When the Fed released the finalized term sheet for the MSLP, advocates argued that a lack of strict guardrails would lead the program astray from lawmakers' original intentions of protecting jobs and supporting companies that needed emergency assistance. We investigated this claim, examining the language that called for the program's implementation in the CARES Act alongside data on loan distribution, layoffs, workforce size, and borrower participation in other emergency lending facilities. The key findings from this analysis include:

- The MSLP failed to prioritize job retention.
    - More than $1.8 billion in MSLP loans went to companies that laid off workers before Sept. 30, 2020.
    - Firms with 10 or fewer employees received some of the largest loans, including 14 small firms that received loans of $20 million or more.
    - MSLP loan-to-employee ratios frequently exceed $2 million per employee and went as high as $19 million per employee.
- MSLP loan distribution failed to prioritize the neediest companies.
    - More than 20 percent of companies that received MSLP loans were approved for PPP loans of $1 million or more, collectively receiving more than $1.1 billion in PPP funding.
    - Most MSLP loans exceeded $3 million, and roughly 60 percent of the capital distributed through the program went to 264 companies that received loans of $20 million or more.
    - MSLP was vastly underused, only supporting loans to 1,830 borrowers and using 3 percent of the funds allocated to the program.
- Revisions to the MSLP term sheet that occurred after fossil fuel industry lobbying likely exacerbated the program's failures. These changes included removing borrower certifications regarding employee retention and financial need.

Methodology

The analysis featured in this report accounts for all for-profit companies that received MSLP loans. We do not account for non-profit organizations that received loans through the MSLP's Non-profit Organization New Loan Facility (NONLF) or the Non-profit Organization Expanded Loan Facility (NOELF), which became operational in September 2020.

Our data sources include MSLP transaction-specific disclosures and term sheets released by the Federal Reserve, Small Business Administration data on PPP loans larger than $150,000, and Congressional Oversight Commission reports. We also drew data from the Good Job's First unpublished WARN Act database, which accounts for WARN Act notices from March through September 2020, as well as research reports, press releases, news articles, and interviews with company owners and employees.

We primarily relied on WARN Act notices to determine which MSLP recipients laid off workers during the pandemic. However, because WARN notices are not always filed when companies lay off workers, we also conducted an in-depth examination of companies that received loans of $20 million or more These loans were distributed to 264 borrowers, and collectively accounted for half of the funds used by the program. This examination included interviews with company management and employees, as well as a review of local and national news articles and company press releases.

In our research on company size, we drew from several resources, including data on company size among PPP recipients provided by Accountable.US. Using information on PPP loan size, jobs retained, entity type, as well as PPP loan restrictions based on company size, Accountable.US identified a group of PPP recipients that likely only support the employment of one person. We also conducted in-depth research on the group of borrowers that received MSLP loans of $20 million or more, determining company size through interviews with company management and employees when possible, and through data available on company websites, online databases, and business directories when direct confirmation was unavailable.

I. Overview of the Main Street Lending Program

In July 2020, the Federal Reserve Bank of Boston announced that the MSLP was fully operational. The MSLP operated through five facilities, two of which provided loans to non-profits, and three of which provided loans to for-profit businesses. The for-profit facilities included the Main Street New Loan Facility (MSNLF), the Main Street Priority Loan Facility (MSPLF), and the Main Street Expanded Loan Facility (MSELF). Borrowers could acquire new loans under MSNLF and MSPLF or increase the size of existing loans through MSELF.[7]

The MSLP aimed to support companies that were in good financial standing prior to the pandemic but were facing temporary financial difficulties due to the economic downturn caused by COVID-19. Accordingly, the Fed crafted MSLP loan terms that would assist companies with temporary cash-flow issues, offering five-year loan terms with interest payments deferred for one year and principal payments deferred for two years.[8] This type of repayment schedule is highly unusual, and would be difficult, if not impossible, to obtain in the private market.

Although the Federal Reserve established the program, individual banks processed MSLP loan applications and issued loans to eligible borrowers. The Federal Reserve purchased 95 percent of these loans, while the banks that issued the loans kept the remaining 5 percent, thereby reducing, but not eliminating, lenders' exposure to credit risk.

The MSLP was set to expire at the end of 2020, but increased interest in the program led the Federal Reserve to extend the program until Jan. 8, 2021. Ultimately, 1,830 companies participated in MSLP, and the Fed only extended $16.59 billion in lending despite allocating $600 billion for the program.

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[7] *Main Street Lending Program*, BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM (February 9, 2021), http://bit.ly/3q6JBKe.

[8] Press Release, Board of Governors of the Federal Reserve System, *Main Street New Loan Facility* (December 29, 2020), https://bit.ly/304z8Ep.

II. Fossil Fuel Lobbying Was Followed by Weakened MSLP Guardrails

After the first version of the MSLP term sheet was released, the fossil fuel industry and its political allies lobbied to weaken constraints on borrowers, hoping to make MSLP loans available to gas and oil companies. This lobbying included letters sent by The Independent Petroleum Association of America (IPAA) and Sen. Ted Cruz (R-Texas), in which they argued that loosening the criteria for eligible borrowers and weakening restrictions on loan use would be critical to supporting the struggling energy sector.[9] Following these lobbying efforts, the Fed implemented several changes to the MSLP term sheet, many of which mirrored the IPAA's and Cruz's requests.[10] These changes included:

1. Weakening language on employee retention

While companies were initially required to attest that they would make "reasonable efforts" to maintain payroll and retain employment, the Fed's June revision of the MSLP term sheet simply states that companies should make "commercially reasonable efforts," which it defined as "good-faith efforts to maintain payroll and retain employees in light of their respective capacities, economic environment, available resources, and business need for labor."[11] Under this revision, companies were no longer required to attest in writing that they would make efforts to keep workers on payroll. MSLP loan recipients could lay off workers for many reasons beyond strict economic necessity and still be classified as making "commercially reasonable efforts" to retain employees. Federal Reserve Chair Jerome Powell himself described the clause on employee retention as "hortatory," meaning "voluntary, not required."[12]

2. Loosening requirements regarding financial need

Prior to these changes, companies were also required to certify in loan applications that they needed the loan "due to the exigent circumstances

[9]Letter from Ted Cruz, United States Senator, Steven T. Mnuchin, Secretary of the Treasury and Jerome Powell, Chairman of the Federal Reserve (April 24, 2020), https://bit.ly/304IjZD;
Michelle Price and David French, *U.S. energy industry steps up lobbying for Fed's emergency aid: letters*, REUTERS (April 20, 2020), http://reut.rs/3uI5hzO.

[10] Rebecca Beitsch, *Fed's expanded lending program opens funding to oil and gas industry*, THE HILL, (April 30, 2020), http://bit.ly/2PnVr66.

[11] CONGRESSIONAL OVERSIGHT COMMISSION, THE SECOND REPORT OF THE CONGRESSIONAL OVERSIGHT COMMISSION, 10 (2020), https://bit.ly/3r6MYCn.

[12] *Id*.

presented by the … COVID-19 pandemic" — another provision that lawmakers explicitly outlined in the CARES Act.[13] Cruz criticized this requirement as "too restrictive" for the energy sector in his letter, and the subsequent revision of the MSLP term sheet removed this clause.[14]

3. **Increasing maximum loan size and loosening restrictions on the refinancing of corporate debt**

Lobbyists also called for an easing of restrictions on loan use and increases in maximum loan size. The Fed's revision of the MSLP term sheet reflected both requests, opening the doors for companies to use loans to pay off old debt and raising the maximum loan size for all three MSLP facilities.[15]

Fossil fuel companies ultimately reaped the rewards of these changes as major beneficiaries of the lending program. By the end of November, 46 fossil fuel companies had received $828 million in MSLP loans, including 12 companies that each received loans of $35 million or more.[16]

In December 2020, the Wall Street Journal reported that ProFrac Holdings LLC, a company owned by Texas billionaires and major Cruz donors Dan and Farris Wilks, was among the group of fossil fuel companies that benefited from the June revisions. Citing an investigation by BailoutWatch, the Post reported that ProFrac Holdings received a $35 million MSLP loan while the Wilks brothers were on a "buying spree in the country's oil patch."[17] According to the article, the Wilks brother reportedly purchased stakes in several other oil companies and offered a $15 million loan to take over a bankrupt fracking equipment supplier.

While some politicians argued that MSLP loans to oil and gas companies were necessary to prevent bankruptcies, others viewed this as an unfair bailout to companies that irresponsibly loaded up balance sheets with debt prior to the pandemic. Critics argued that loans to fossil fuel companies would merely delay the steady decline of the oil and gas industry, and pointed out that the industry

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[13] CONGRESSIONAL OVERSIGHT COMMISSION, QUESTIONS ABOUT THE CARES ACT'S $500 BILLION EMERGENCY ECONOMIC STABILIZATION FUNDS, 8 (2020), https://bit.ly/304CBCU.

[14] Press Release, United States Senator for California Dianne Feinstein, *Feinstein, Schatz, Whitehouse, Colleagues Call on Federal Reserve to Help Small Businesses, Not Oil Companies*, (May 11, 2020), http://bit.ly/3dZUOtQ.

[15] Press Release, Board of Governors of the Federal Reserve System, *Federal Reserve Board expands its Main Street Lending Program to allow more small and medium-sized businesses to be able to receive support* (June 8, 2020), http://bit.ly/3dZaayz.

[16] Main Street Lending Program Loan Recipients, BAILOUT WATCH (Dec. 16, 2020), https://bit.ly/2ODuFGn.

[17] Ted Mann and Brody Mullins, *Texas Fracking Billionaires Drew Covid-19 Aid While Investing in Rivals*, THE WALL STREET JOURNAL (December 27, 2020), http://on.wsj.com/3rk77Fb.

already benefited from tax cuts and bond issuance after the Fed's backstop of the corporate bond market.[18]

Moreover, these changes to the MSLP term sheet did not only impact the fossil fuel industry. Loosened requirements on employee retention, borrower financial need, and loan use relieved all MSLP borrowers from the program's initial prohibitions on debt refinancing, pressure to avoid layoffs, and allowed companies to apply for MSLP loans regardless of financial need. These changes to the program likely exacerbated its failures by allowing loans to go to companies that did not require support and to companies that conducted mass layoffs.

[18] DAN L. WAGNER AND CHRISTOPHER KUVEKE, BAILOUTWATCH, ALAN ZIBEL, PUBLIC CITIZEN, AND LUKAS ROSS, FRIENDS OF THE EARTH, BAILED OUT AND PROPPED UP, 1 (2020), https://bit.ly/3b4CbTq.

III. The MSLP Failed to Prioritize Job Retention

To explore the question of the MSLP's effectiveness in saving jobs, we examined layoffs as well as workforce size at companies that received loans through the program. Our examination of both metrics suggest that loan distribution did not maximize job retention: in many cases, multi-million-dollar loans went to companies that conducted mass layoffs, as well as to firms that only employ a handful of workers.

At least $1.8 Billion in MSLP Loans Went to Companies that Laid off Workers

Although lawmakers provided clear guidelines surrounding worker retention in the 2020 CARES Act, as stated above, the Fed's finalized MSLP term sheet only included an optional clause directing companies to make "commercially reasonable efforts" to maintain payroll and retain employees. The Fed failed to implement any binding requirements on employee retention among MSLP recipients and neglected to establish any oversight mechanisms to track workforce size and layoffs. Many politicians and activists criticized these omissions, arguing that a lack of employment requirements for borrowers would prevent workers from seeing the benefits of taxpayer backed MSLP loans.

Our investigation of the program found that more than $1.8 billion in MSLP loans went to corporations that laid off workers before Sept. 30, 2020. Moreover, $1.8 billion is almost certainly an underestimation.

We arrived at this figure by pinpointing MSLP loan recipients that filed official WARN Act notices (legal notices of mass layoffs), as well as by examining press releases, news articles, and conducting interviews with management and employees at companies that received $20 million or more in loans. That said, due to limitations and loopholes in the law, not all companies that laid off workers were required to file WARN Act notices. In fact, only companies with 100 or more employees who lay off 50 or more employees at a single site of employment are mandated by law to file WARN Act notices.[19] Additionally, although we reached out to companies that did not file WARN notices to determine whether layoffs occurred, most companies that we contacted regarding layoffs either provided no response or declined to comment.

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[19] *Plant Closings and Layoffs*, U.S. DEPARTMENT OF LABOR, http://bit.ly/3kKWpoE (viewed on March 2, 2021).

Among borrowers that received the largest 3 percent of loans in the program – loans ranging from $50 million to $300 million – we confirmed layoffs at 10 companies, totaling $ 1 billion in loans:

Table 1: Companies That Conducted Layoffs and Received $50 Million or More in MSLP loans

Borrower Name	Principal Loan Amount When Purchased by the MSLP
Fitness International, LLC	$300,000,000
BCD Travel USA LLC	$250,000,000
Lindblad Expeditions, LLC	$85,000,000
Clair Global Corp.	$71,050,000
Surf Style Retail Management Inc.	$ 50,000,000
Mount Airy #1, L.L.C.	$ 50,000,000
AIFS, Inc.	$ 50,000,000
Maritz Holdings Inc.	$50,000,000
HDH, LLC	$50,000,000
Omni Boston Corporation	$50,000,000

Source: Public Citizen analysis of Federal Reserve MSLP transaction specific disclosures, Good Jobs First WARN Act data, and layoff data compiled by Public Citizen.

American Cruise Lines and Equipmentshare.com were also among this group of top MSLP borrowers: they received $90 million and $69.4 million, respectively. Although we reached out to both companies for comment, neither responded to requests for information on company layoffs.

Multi-Million-Dollar Loans Went to Companies that Only Employ a Handful of Workers

To examine the MSLP's efficacy in retaining jobs, we also analyzed workforce size in relation to loan amount, comparing borrowers' total number of employees to the amount of money that they received in MLSP loans. Since publicly available MSLP data did not include borrowers' total number of employees, we used interviews and online resources including company websites, business directories, and online databases to determine company size.

We found that workforce size varied greatly among borrowers, ranging from one employee in some cases to thousands of workers spread across several worksites in others. At least 14 firms with 10 or fewer employees received loans of $20 million or more, yielding loan-to-employee ratios exceeding $2 million per employee. Several of these firms were financial firms that provide investment services or financial advising to customers.

Although there was no minimum number of employees to qualify for the program, policymakers have voiced concerns that multi-million-dollar loans to tiny firms did not align with the program's goal of supporting employment or the borrowing businesses as going concerns. The key findings from our research include:

- At least four businesses with only one employee received MSLP loans.
- At least 14 businesses with 10 or fewer employees received loans of $20 million or more.
- In at least 15 cases, the loan-to-employee ratio met or exceeded $2 million per employee, including one case in which the loan-to-employee ratio was $19 million per employee.

Former FDIC Chair Sheila Bair commented that it is "disappointing that people were using the program that way," explaining that multi-million-dollar loans to three- or four-person businesses would do little to support overall employment. She noted that "if the program had been restricted to payroll and operations, this likely would not have been a problem," adding that this trend is particularly concerning because MSLP largely failed to reach the businesses that needed loans most.[20]

[20] Interview with Sheila Bair, Chair, Fannie Mae's Board of Directors (Feb. 9, 2020).

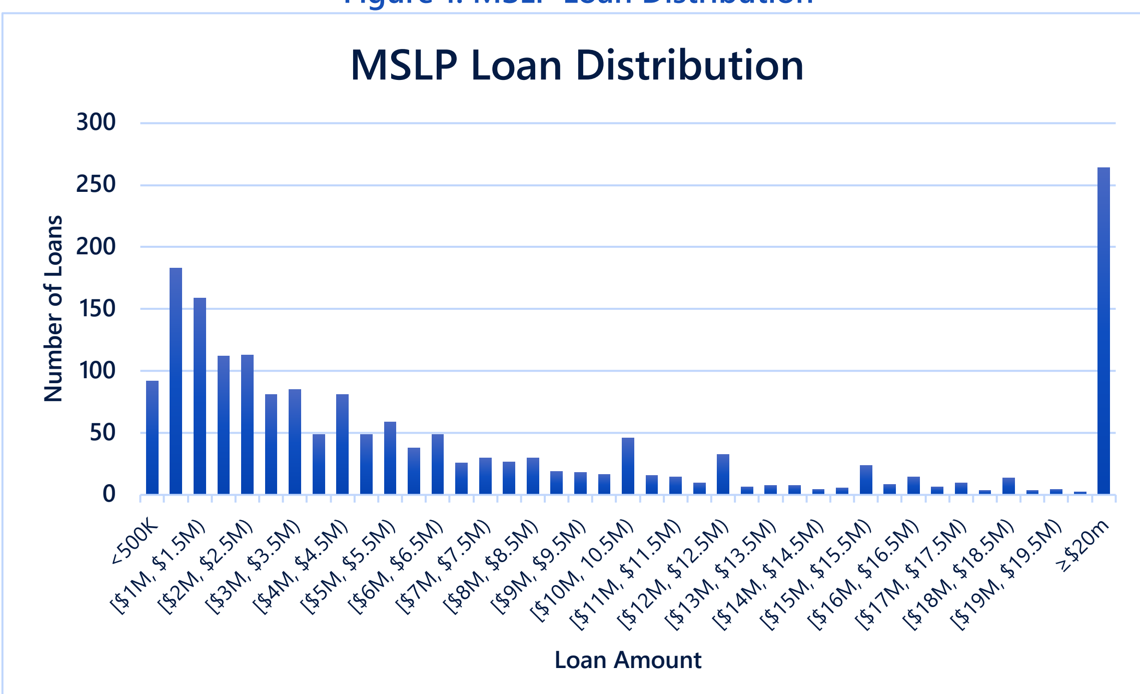
IV. MSLP Loan Distribution

Under revised MSLP loan terms, companies were no longer required to certify that they needed loans due to exigent circumstances caused by the pandemic, making it difficult to determine whether loan recipients were truly in need of support. To determine whether the MSLP supported businesses that needed assistance due to the pandemic and could not otherwise obtain sufficient capital on reasonable terms, we examined loan distribution patterns, as well as the frequency with which MSLP recipients received support through other stimulus programs.

MSLP Funds were Underused and Skewed Towards the Largest Loans

In the final weeks of the program, the Fed saw a dramatic increase in program participation, settling 1,150 MSLP loans in the month of December alone.[21] That said, MSLP funds were still vastly underused. The Fed only used about 3 percent of the $600 billion available for the program, extending $16.59 billion in loans to 1,830 borrowers.

Figure 1: MSLP Loan Distribution



Source: Public Citizen analysis of Federal Reserve's MSLP transaction specific disclosures.

[21] Eric Rosengren, The Economic Outlook – Optimism Despite the Challenges Ahead, Speech before The Greater Boston Chamber of Commerce (January 12, 2021), https://bit.ly/3var4jZ.

Notably, MSLP funds were disproportionately allocated to support the largest loans in the program. Nearly three-fifths of the capital distributed through MSLP went to 264 companies that received loans of $20 million or more, and the majority of MSLP loans exceeded $3 million. Only 92 companies received loans under $500,000, receiving 0.01 percent of the $16.59 billion spent by the Fed and making up the bottom 5 percent of loans in the program.

Unfortunately, the small businesses owners that would have benefited from smaller loans through the program were likely disadvantaged by the strict credit requirements of the MSLP. According to the Congressional Research Service, small businesses often face difficulty obtaining loans due to a lack of credit history, while new start-ups firms often lack the financial records necessary to obtain loans.[22] MSLP requirements aimed at ensuring that borrowers would not default likely made the difficult task of acquiring loans even more difficult for small businesses.

Moreover, interviews with businesses owners and testimonies from banks suggest that fledgling small businesses were not the only businesses that struggled to secure MSLP loans. In a September 2021 survey by the Federal Reserve, 44 of 86 banks reported that an applicant being creditworthy before the COVID-19 crisis, but "too severely impacted to remain viable and thus repay the loan" was a somewhat important or very important reason for rejecting MSLP loan applications.[23] Some advocates have suggested that the Fed should have been willing to take on greater risk in the program in order to support the neediest lenders, even if that required supporting some firms that might not survive the pandemic.

Lack of participation among lenders was also a major issue for the program. Among survey respondents that chose not to participate, 24 out 31 banks reported that the uncertainty associated with "loss-sharing with the MSLP in the event of a default" was a somewhat or very important reason for not participating in the program.[24] Moreover, during interviews, business owners complained of a dearth of MSLP lenders and, when they did find participating banks, reported difficulties navigating each bank's underwriting standards.

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[22] CONGRESSIONAL RESEARCH SERVICE, SMALL BUSINESS CREDIT MARKETS AND SELECTED POLICY ISSUES 4 (August 20, 2019) https://bit.ly/2N7xOhm.

[23] BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM, SENIOR LOAN OFFICER OPINION SURVEY ON BANK LENDING PRACTICES AT SELECTED LARGE BANKS IN THE UNITED STATES 6 (September 29, 2020) https://bit.ly/38umdAt.

[24] *Id.*, at 9.

In an interview with the Wall Street Journal, Mike Cazaz, the owner of a New Jersey airline asset management company, said that an MLSP loan would have allowed his company to avoid furloughing 23 of his 30 workers.[25] Cazaz said that he was unable to acquire a loan, and that banks told him they chose not to participate in MSLP because of concerns about the government "coming back two or three years down the road and saying, 'This loan was bad. You're liable for the entire 100 percent.'"[26]

Bill Christiansen, the owner of the Tulsa-based aircraft company Christiansen Aviation Inc., was ultimately able to secure a loan, but experienced difficulties navigating different underwriting standards at local banks. Christiansen recalled that the first bank he approached had several unfavorable underwriting requirements including "a personal guarantee, collateral – several things that [the bank] hadn't initially mentioned."[27] Unwilling to sign onto these terms, Christiansen approached a second lender, and was ultimately able to secure a loan.

Christian noted that MSLP was ultimately helpful to his business. "Without [the program] I wouldn't have taken out more loans … it allowed my business to grow, and I'll probably even hire some new people come spring." That said, he was left puzzled by his experience with the banks. "I had a friend going through the same process, and his bank was putting on additional requirements that my bank didn't have. They wanted him to buy expensive insurance, things like that … That's why more companies didn't use the money. They felt too restricted by the individual banks."

Although most of the funds earmarked for the MSLP were not used, reports of borrowers struggling to meet restrictive program requirements, find participating lenders, and navigate lenders' underwriting standards indicate that borrower interest may have been higher than MSLP distribution figures suggest. The surge in MSLP loan applications during the final weeks of 2020 further suggest that borrower interest was not fully met by the program, and that additional emergency lending programs could attract greater interest in 2021.

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[25] Nick Timiraos *Fed Had a Loan Plan for Midsize Firms Hurt by Covid. It Found Few Takers.*, THE WALL STREET JOURNAL (January 4, 2021), http://on.wsj.com/3b5eXwy.
[26] *Id.*
[27] Interview with Bill Christiansen (Feb. 4, 2020).

MSLP Borrowers Received Additional Government Stimulus Funds

In the process of examining borrowers' financial need, we also found that MSLP loans often went to companies that received funds from other stimulus programs, including the Small Business Administration's PPP program. Our findings include:

- More than 20 percent of MSLP recipients also received PPP loans of $1 million or more, collectively receiving over $1.1 billion in PPP funding.
- 10 percent of MSLP recipients received PPP loans of more than $2 million, even though less than 1 percent of PPP recipients received loans of this amount.[28]
- At least 36 companies that received both MSLP loans and PPP loans of $1 million or more laid off workers during the pandemic despite their several sources of funding.
- More than 70 percent of MSLP recipients that received PPP loans of $1 million or more received their loans during the first-round of PPP funding in April, when wealthy, well-connected companies were often prioritized over needier PPP applicants.

Table 2: MSLP Recpients that Received PPP Loans of $9 Million or More

Borrower Name	Principal Amount of Loan When Purchased by MSLP	PPP Approved Loan Amount
Bright Event Rentals, LLC	$12,000,000	$10,000,000
Hatch Stamping Company LLC	$50,000,000	$10,000,000
Neighborhood Restaurant Partners Florida, LLC	$25,684,000	$10,000,000
Party Rental Ltd.	$18,000,000	$10,000,000
Sunrise Restaurants, LLC	$13,500,000	$10,000,000
Local Favorite Restaurants, LLC	$24,910,000	$9,831,000
Enterprise Offshore Drilling, LLC	$40,300,000	$9,793,900
Lessing's, Inc.	$11,200,000	$9,769,882
Texas Steel Conversion, Inc.	$25,000,000	$9,563,414
Silver Diner Development, LLC	$6,000,000	$9,497,700

Source: Public Citizen analysis of Federal Reserve MSLP transaction specific disclosures and Small Business Administration PPP data.

[28] U.S. Small Business Administration, Paycheck Protection Program (PPP) Report Approvals Through 03/07/2021 6 (2021) https://bit.ly/3qyW3To; U.S. Small Business Administration, Paycheck Protection Program (PPP) Report Approvals Through 08/08/2020 6 (2020) https://bit.ly/2PMBNRj.

Compared to other companies that were approved for PPP loans, companies that received MSLP loans received disproportionally large PPP loans, and overwhelmingly obtained their loans during the first round of PPP funding. Although the average PPP loan size was only $114,000 in May 2020 and has since declined, over 20 percent of MSLP recipients received PPP loans of $1 million or more.[29] These figures raise concerns about equity in emergency loan distribution.

The first round of PPP money ran out in only a few weeks, and analysis by New York Federal Reserve economists found that companies that had pre-existing relationships with banks were more likely to acquire loans through the program.[30] The Select Subcommittee on the Coronavirus Crisis released a report on the equity implications of this pattern, reporting that wealthy businesses with pre-existing relationships with banks were prioritized over other businesses during the first round of funding. The Subcommittee explained that, when the program opened in April, PPP lenders "failed to prioritize small businesses in underserved markets, including minority and women-owned businesses" and that "small businesses that were truly in need of financial support during the economic crisis often faced longer waits and more obstacles to receiving PPP funding than larger, wealthier companies."[31]

More than 70 percent of MSLP recipients that also received PPP loans of $1 million or more had their applications approved during the first round of PPP funding in April, and more than 40 percent of these borrowers received both loans from the same bank. Although this itself is not a problem, a company going to one bank for both loans suggests that the company may be a repeat customer of the servicing bank.

Additionally, in the Federal Reserve's September survey, only two out of eleven large banks reported that being a new client at their bank was a somewhat or very common characteristic of MSLP borrowers, while five out of ten small banks reported this as a somewhat or very common characteristic of borrowers.[32] The

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[29] U.S. SMALL BUSINESS ADMINISTRATION, PAYCHECK PROTECTION PROGRAM (PPP) REPORT APPROVALS THROUGH 05/30/20 6 (2020) https://bit.ly/3qDyGrE.

[30] Haoyang Liu and Desi Volker, *Where Have the Paycheck Protection Loans Gone So Far?*, LIBERTY STREET ECONOMICS, FEDERAL RESERVE BANK OF NEW YORK (MAY 6, 2020), http://nyfed.org/3qggdkY.

[31] Press Release, Select Subcommittee on the Coronavirus Crisis, *New PPP Report Shows Trump Administration And Big Banks Left Behind Struggling Small Businesses* (October 16, 2020), http://bit.ly/2OfOcfQ.

[32] BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM, SENIOR LOAN OFFICER OPINION SURVEY ON BANK LENDING PRACTICES AT SELECTED LARGE BANKS IN THE UNITED STATES 10 (September 29, 2020) https://bit.ly/3tay6Dh.

frequency with which MSLP loans were given to repeat customers should be further explored through data collection by the Fed, especially since pre-existing relationships with banks had significant equity implications for first round of PPP distribution.

Ultimately, compared to most participants, companies that received both MSLP loans and PPP loans were highly successful in obtaining large, first-round PPP loans that eluded many other small businesses owners early in the pandemic. Although less than 1 percent of PPP recipients received loans of more than $2 million, more than 10 percent of MSLP recipients received PPP loans of this amount.[33]

[33] U.S. Small Business Administration, Paycheck Protection Program (PPP) Report Approvals Through 03/07/2021 6 (2021) https://bit.ly/3qyW3To; U.S. Small Business Administration, Paycheck Protection Program (PPP) Report Approvals Through 08/08/2020 6 (2020) https://bit.ly/2PMBNRj.

V. Policy Recommendations

Unlike their larger counterparts, small and mid-sized businesses often lack access to low-cost credit that is crucial for survival during economic downturns. MSLP expired in early January, but the effects of the pandemic will continue to hurt businesses as travel demand remains low and social distancing measures remain in place in many states.

In order to protect workers as well as prevent needless closures on Main Street, lawmakers should reinstate a lending program for struggling small and mid-sized companies. Although PPP funding has been extended to small businesses in 2021, mid-sized businesses without access to the program will continue to need support until market conditions normalize. Based on our analysis of MSLP, we recommend that lawmakers take several steps to improve a future iteration of the program:

Opening the Program to More Lenders and Borrowers

A program run by the Federal Reserve would not have the legal authority to offer forgivable loans, but certain changes could be implemented to strengthen a second iteration of MSLP and make loans more appealing both to lenders and borrowers. More specially, lawmakers should implement looser credit requirements to make the program accessible to struggling businesses that would otherwise be unable to obtain loans during the pandemic. Since the program would be specifically targeted at companies in need of loans due to the current economic crisis, lenders should not be required to originate loans in accordance with the underwriting standards that they used pre-pandemic, and the agency managing the program should be prepared to take riskier loans in order to facilitate more support for struggling businesses. Boston Federal Reserve President Eric S. Rosengren made similar comments in his evaluation of the program, suggesting that MSLP would have been more successful with "less focus on mitigation of potential loss to the Treasury… [and] less legal and operational complexity."[34]

Rosengren also suggested that changes could be made to encourage more lenders to participate, adding that banks might have been more inclined to become MSLP lenders had they been given "an opportunity to earn fees as long as the loan performed, rather than a 5 percent participation."[35] Given MSLP's difficulties

[34] Eric Rosengren, The Economic Outlook – Optimism Despite the Challenges Ahead, Speech before The Greater Boston Chamber of Commerce 12 (January 12, 2021), http://bit.ly/2NItzJx.
[35] *Id.*

attracting eligible lenders, this type of incentive could be an effective way to expand the program's reach. Moreover, lawmakers should consider whether the Fed should take on a greater percentage of each loan's risk – a step that could further incentivize banks to offer loans to struggling companies.

On the other hand, some lawmakers have called for a new program to operate independently of the Fed because such a program could include loan-forgiveness for companies that use government funds to keep employees on payroll. This option would also offer a viable route to support struggling companies, although close oversight would be needed to limit fraud in such a program.

Tightening Borrower Certifications

Regardless of who facilitates a future lending program for small and mid-sized businesses, all companies receiving taxpayer-backed relief funds should be required to demonstrate that they are making good-faith efforts to retain and rehire employees. Relief funds should be available to support businesses' ability to maintain themselves as going concerns (i.e., to cover expenses such as rent), but not to fund excessive executive pay, corporate takeovers, or other purposes unrelated to mitigating the pandemic crisis. Binding requirements should be implemented to ensure that workers see some portion of government relief funds, and oversight mechanisms should be designed to ensure that companies comply with these requirements. Borrowers should also be prohibited from offshoring or outsourcing jobs during the loan repayment period and should be required to remain neutral in union organizing efforts.

Additional funds should be accompanied by mandatory reporting requirements on a company's total number of employees pre-pandemic and at the time of the loan, as well as ongoing updates on employee retention and rehiring. Collecting this type of data would strengthen oversight efforts for any future relief programs, as well as provide valuable data for evaluating the impact of the program on employment.

Lawmakers should also mandate that all loan recipients certify in loan applications that they require the loan due to exigent circumstances created by the COVID-19 pandemic. This certification would deter companies that do not need loans from applying for emergency relief funds, thereby reserving federal dollars for businesses that are struggling because of the pandemic. This would also prevent emergency funds from being used to prop up unsustainable businesses that were in deep financial troubles before the pandemic began, reserving support for businesses that were viable before the pandemic and that will be viable well after the pandemic is over.

In addition to these changes, lawmakers should also incorporate limitations that the Fed placed on companies that received MSLP loans. These include prohibitions on stock buybacks, dividend payments, caps on executive salary, and prohibitions on severance pay until 12 months after the borrower has repaid the loan in full. Lastly, corporate political spending should also be prohibited until loans are repaid, and certifications regarding worker health and safety measures and anti-retaliation policies should be incorporated into loan documents.

Better Data Collection

Further research should also be conducted on how to maximize the marginal product of government assistance, particularly in cases where government dollars are going to small firms in well-funded sectors such as the finance industry.

To conduct a complete analysis of any future relief program, publicly available data must be collected on recipients' industry, owner demographics, loan use, workforce size, layoffs, and furloughs. This type of data collection would offer policymakers a far stronger picture of who received aid and how money was spent, as well as support Congress in designing future iterations of lending programs for small and mid-sized businesses.

Supporting the Unemployed

Even if forgivable loans become widely available to mid-sized businesses that are willing to retain employees, the pandemic will continue to force many businesses to close their doors temporarily or permanently. Low-wage Americans whose jobs cannot be transferred to a digital platform should not be forced to choose between their health and their rent, and Congress must step in to ensure that Americans with underlying health conditions are not forced to make this choice. Thus, as Congress works to craft additional aid packages, lawmakers must prioritize supporting low-wage, unemployed, and underemployed Americans who will not see the benefits of large lending programs aimed at helping businesses survive. This should include robust support for individuals in hard-hit industries such as restaurant and hospitality, as well as targeted aid for families in the form of direct payments and rent support through debt relief and eviction moratoriums.

Appendix

Table 3: MSLP Borrowers That Recived Loans of $20 Million or More:

Borrower Name	MSLP Amount
Fitness International, LLC	$ 300,000,000.00
BCD Travel USA LLC	$ 250,000,000.00
KA73, LLC	$ 148,000,000.00
Finley Production Co LP	$ 130,000,000.00
Building Construction Partners, LLC	$ 95,394,059.37
1. SWRG Acquisition Corp 2. The Smith & Wollensky Restaurant Group Inc. 3. Strega Acquisition, Inc.	$ 95,000,000.00
American Cruise Lines, Inc.	$ 90,000,000.00
Lindblad Expeditions, LLC	$ 85,000,000.00
1. Health Care Lease Facilities LLC 2. Holbrook Leasing Co LLC 3. Sheldon Leasing Co LLC 4. HC IN Ops-Mgt LLC	$ 76,000,000.00
Clair Global Corp.	$ 71,050,000.00
Equipmentshare.com Inc.	$ 69,475,000.00
C-Innovation, L.L.C.	$ 56,000,000.00
Mount Airy #1, L.L.C.	$ 50,000,000.00
Lumiere Financing LLC	$ 50,000,000.00
Spartan Education Group, LLC	$ 50,000,000.00
Midwest Transport, Inc.	$ 50,000,000.00
Surf Style Retail Management Inc	$ 50,000,000.00
1788 Chicken, LLC	$ 50,000,000.00
Bosque Disposal Systems, LLC	$ 50,000,000.00
SummitMedia, LLC	$ 50,000,000.00
El Dorado Gas & Oil, Inc.	$ 50,000,000.00
Butch's Rat Hole & Anchor Service, Inc.	$ 50,000,000.00
1. Cambium United, LP 2. Sustainable Modular Management, Inc. 3. Cambium United GP, LLC	$ 50,000,000.00
BWM III, LLC	$ 50,000,000.00
Envigo RMS Holding Corp.	$ 50,000,000.00
Orizon Aerostructures, LLC	$ 50,000,000.00
Event Services America, Inc.	$ 50,000,000.00
Nexus Pharmaceuticals, Inc.	$ 50,000,000.00
Penn Florida Capital Corp	$ 50,000,000.00
1. 3Sixty Duty Free & More Holdings, LLC 2. DFASS Distribution East, LLC	$ 50,000,000.00

3. DFASS Distribution, LLC 4. DNEL Supply, LLC 5. DFASS USA, LLC 6. Travel Retail Group, LLC 7. DFASS Central, LLC	
South University - Member, LLC	$ 50,000,000.00
Golden Queen Mining Company LLC	$ 50,000,000.00
Venus Concept USA Inc	$ 50,000,000.00
Matran, Inc.	$ 50,000,000.00
Omni Boston Corporation	$ 50,000,000.00
1. Santikos Theaters, LLC 2. Santikos Palladium Realty, LLC 3. Santikos Cibolo Theater Realty, LLC 4. Santikos Mayan Realty, LLC 5. Santikos Embassy SA Theater Realty, LLC 6. Silverado SA Theater Realty, LLC	$ 50,000,000.00
A.C.T. Lighting, Inc.	$ 50,000,000.00
1. Outlier Holdings, LLC 2. TNC South Clark Holdings, LLC 3. inDispense Holdings LLC 4. Passport Health Holdings, LLC 5. TNC FB Holdings, LLC 6. TNC REI LLC 7. TNC X-1, LLC	$ 50,000,000.00
Mohegan Tribal Gaming Authority	$ 50,000,000.00
Pine Gate Renewables, LLC	$ 50,000,000.00
1. Oneida Foodservice, LLC 2. Crown Brands, LLC 3. Oneida, LLC 4. Tomlinson Industries, LLC 5. Focus Foodservice, LLC 6. Co-Rect Products, Inc. 7. Franklin Financial Management, LLC	$ 50,000,000.00
Event Network, LLC	$ 50,000,000.00
MCRA, LLC	$ 50,000,000.00
Maritz Holdings Inc.	$ 50,000,000.00
HDH, LLC	$ 50,000,000.00
National Tank & Equipment, LLC	$ 50,000,000.00
1. Meritum Energy Holdings, LP 2. Pico Propane Operating, LLC 3. Meritum Supply, LLC 4. Meritum Systems, LLC 5. Meritum Logistics, LLC 6. Stone Road Energy Holdings, LLC	$ 50,000,000.00

7. SRE Intermediate Holdings, LLC 8. Stone Road Energy, LLC	
1. Garrison, Inc. 2. Advantage Leasing, Inc. 3. RWH Refrigerated Solutions, Inc. 4. Garrison Freight Management, Inc. 5. Garrison Logistics, Inc. 6. T.J. Stidham, Inc. 7. R.E. Garrison Trucking, Inc.	$ 50,000,000.00
Hatch Stamping Company LLC	$ 50,000,000.00
Partnerships for Dentists, LLC	$ 50,000,000.00
AIFS, Inc.	$ 50,000,000.00
1. Waste Innovation, LLC. 2. Landfill Technologies of Fajardo, LLC 3. Caribbean Fleet Solutions, LLC 4. Landfill Gas Technologies of Fajardo, LLC. 5. Landfill Technologies of Arecibo, LLC 6. Landfill Gas Technologies, LLC. 7. Landfill Technologies, LLC 8. Consolidated Waste Services, LLC. 9. Carolina Recycling, Corp. 10. Landfill Technologies of Guaynabo LLC.	$ 50,000,000.00
Kal Freight Inc.	$ 50,000,000.00
EagleRidge Energy II, LLC	$ 50,000,000.00
1. AIKG, LLC 2. AIKG Orlando LLC 3. AIKG North Dallas LLC 4. AIKG Houston LLC	$ 50,000,000.00
XYZ LLC	$ 50,000,000.00
1. Endeavor Schools Holdings, LLC 2. Endeavor Schools, LLC 3. Endeavor Schools II, LLC	$ 49,760,000.00
1. Starboard Group of Space Coast, LLC 2. Starboard Group of Richmond North, L.L.C. 3. Starboard Group of Tampa II, LLC 4. Starboard Realty of Tampa, LLC 5. Starboard Group of Alabama, LLC 6. Starboard Group of Richmond South, L.L.C. 7. Starboard Group of Tampa, LLC 8. Starboard Group of Southeast Florida, LLC	$ 49,755,000.00
1. New Legend, Inc. 2. New Legend, Inc. 3. New Legend Inc.	$ 49,500,000.00
The Original Mattress Factory, Inc.	$ 49,500,000.00
GTS Holdings, Inc.	$ 49,293,364.00
LRC Construction LLC	$ 48,500,000.00

Skyport Hospitality, LLLP	$ 48,477,819.00
1. VESTRA SPV 3, LLC 2. Autumn Woods Residential Health Care Facility, LLC 3. Autumn View Health Care Facility, LLC 4. Brookhaven Health Care Facility, LLC 5. Garden Gate Health Care Facility, LLC 6. Harris Hill Nursing Facility, LLC 7. North Gate Health Care Facility, LLC 8. Seneca Health Care Center, LLC 9. VESTRA SPV 1, LLC 10. VESTRA SPV 2, LLC	$ 47,500,000.00
Standard Media Group LLC	$ 47,362,080.00
Kilburn Live, LLC	$ 47,000,000.00
United Poly Systems, LLC	$ 47,000,000.00
New York Cruise Lines, Inc.	$ 46,000,000.00
1. Silver Creek Industries LLC 2. Silver Creek Leasing LLC 3. Silver Creek Industries RS LLC	$ 45,000,000.00
SJB Durango Midstream, LLC	$ 45,000,000.00
1. Wedgewood Intermediate Holding Corporation 2. Z Golf Food & Beverage Services, LLC 3. Wedgewood Beverage Inc. 4. Aliso Viejo Banquet Center, LLC	$ 45,000,000.00
1. Coleman World Group, LLC 2. Coleman Worldwide Moving, LLC 3. Capstone Logistics, LLC 4. Eagle Leasing, Inc.	$ 45,000,000.00
1. Brookline Dental Group, LLC 2. Marshfield Dental Group, LLC 3. Advanced Dental of Concord, PLLC 4. Richard T. Miller, D.D.S., P.C. 5. Andover Cosmetic Dental Group, LLC 6. Newburyport Dental Group, LLC 7. Wellesley Dental Arts, LLC 8. Concord Woods Dental Group, LLC 9. Hammond Pond Dental Group, LLC 10. Weymouth Dental Associates, LLC	$ 45,000,000.00
Ammari Holdings, L.L.C.	$ 44,100,415.00
Watchous Enterprises, LLC	$ 43,925,000.00
1. Contrail Aviation Support, LLC 2. Contrail Aviation Leasing, LLC	$ 43,598,000.00
WS Communities LLC	$ 43,350,000.00
1. Northland Restaurant Group, LLC 2. Northland Investors, LLC 3. Northland Investments, LLC 4. UP North, LLC	$ 43,000,000.00

Keywell Metals LLC	$ 42,500,000.00
Goodman Telecom Services, LLC	$ 42,000,000.00
Altus Health System OpCo, LLC	$ 41,699,582.00
White's Energy Services, LLC	$ 40,816,326.54
Ram Energy LLC	$ 40,800,000.00
Enterprise Offshore Drilling, LLC	$ 40,300,000.00
Koch Development Corporation	$ 40,000,000.00
Professional Rental Tools, LLC	$ 40,000,000.00
1. DMAC-SD, LLC 2. DMAC81, LLC 3. SD-2, LLC	$ 40,000,000.00
Epic Permian Resources LLC	$ 40,000,000.00
OHM Concession Group LLC	$ 39,908,069.00
Elite Equipment Rental, LLC	$ 39,086,562.00
GHC Operations Holdings LLC	$ 38,895,658.00
Familia Management Group, LLC	$ 38,500,000.00
1. Contract Datascan Holdings, Inc. 2. Contract Datascan, LP	$ 37,500,000.00
Cloeren Incorporated	$ 36,800,000.00
1. World Travel Holdings, Inc. 2. Resort For A Day, LLC 3. CruiseOne, Inc. 4. Cruises, Inc. 5. Luxury Travel Holdings, LLC 6. Technology Development, LLC 7. Leisure Activities Holdings LLC 8. Cruiseline.com LLC 9. Jamaica Villas, LLC 10. Bravo Holidays, LLC	$ 36,494,000.00
T-12 Three, LLC	$ 36,240,000.00
Christiansen Aviation, Inc.	$ 36,000,000.00
BMC - The Benchmark Management Company, LLC	$ 36,000,000.00
Nitro Fluids, LLC	$ 36,000,000.00
1. Kruger Plastic Products LLC 2. Northern California Injection Molding, LLC 3. El Dorado Molds, LLC	$ 36,000,000.00
Ferreira Construction Co., Inc.	$ 35,000,000.00
Cumberland Surgical Hospital of San Antonio, LLC	$ 35,000,000.00
ProFrac Holdings, LLC	$ 35,000,000.00
Luxe Brands, Inc.	$ 35,000,000.00
Sparks Marketing Group, Inc.	$ 35,000,000.00
Riverside Homebuilders, Ltd.	$ 35,000,000.00
SEF Energy LLC	$ 35,000,000.00

Create Music Group, Inc.	$ 35,000,000.00
KJE Ventures Fund I, LLC	$ 35,000,000.00
1. Partners In Leadership, LLC 2. Partners in Leadership Intermediate Holdings, LLC 3. Partners in Leadership IP, LLC	$ 35,000,000.00
Pacifica Hosts Inc.	$ 35,000,000.00
IMCMV Holdings Inc.	$ 35,000,000.00
Etech Global Services LLC	$ 35,000,000.00
1. Milestone Environmental Services, LLC 2. Milestone Environmental Holdings LLC	$ 35,000,000.00
1. Randa Accessories Leather Goods LLC 2. Haggar Direct, Inc. 3. Haggar Tribal, Inc. 4. Haggar Clothing Co. 5. Texas Clothing Holding Corp.	$ 35,000,000.00
Intersection Media, LLC	$ 35,000,000.00
Dentive, LLC	$ 35,000,000.00
Feld Entertainment, Inc.	$ 35,000,000.00
Eastern Salt Company, Inc.	$ 35,000,000.00
Pacifica of the Valley Corporation	$ 35,000,000.00
1. Pacific West Builders, Inc 2. Pacific West Communities, Inc.	$ 35,000,000.00
Project Kenwood Acquisition, LLC	$ 35,000,000.00
1. Trafalgar Tours West Inc. 2. Grand European Tours (2003) Inc. 3. Uniworld River Cruises Inc. 4. African Travel 2003 Inc. 5. Contiki (US) Holdings Inc. and Subsidiaries 6. AAT Kings Tours (USA) Inc. 7. Brendan Vacations Inc. 8. Insight Vacations Inc. and Subsidiaries	$ 35,000,000.00
Baseline Energy Services, L.P.	$ 35,000,000.00
Greenbrier Hotel Corporation	$ 35,000,000.00
Sugar Creek Packing Co.	$ 34,750,000.00
Caligor Opco, LLC	$ 34,500,000.00
MD Carolinas 3, LLC	$ 34,485,965.00
Advanced Converting Works, Inc.	$ 34,400,000.00
Fuse Technical Group LLC	$ 32,850,000.00
1. Vision Partners LLC 2. Eyelliance Vision Partners LLC	$ 32,500,000.00
Santa Monica Amusements, LLC	$ 32,500,000.00
1.Tornado Bus Company 2. El Expreso Group, LLC	$ 32,400,000.00

1. a360 Inc 2. a360 Firm Solutions LLC 3. a360 Technology Solutions LLC 4. Firm Solutions Source LLC 5. a360 Title Information Solutions LLC 6. KMC Information Systems, L.C.	$ 32,000,000.00
Integrus Holdings, Inc.	$ 32,000,000.00
Compass Financial, Inc.	$ 31,905,000.00
The Doughnut Peddler, LLC	$ 31,600,000.00
Hospice Source LLC	$ 31,301,679.00
Parking & Transportation Management, Services LLC dba TransWest	$ 31,231,581.00
VKGS LLC	$ 31,000,000.00
Blackbird Investments, LLC	$ 30,580,870.00
Sage Pump Services, LLC	$ 30,371,623.00
Avatar Partners, L.P.	$ 30,000,000.00
HTC Holdings, LLC	$ 30,000,000.00
PLC Group, LLC	$ 30,000,000.00
ISG Holding Company, Inc.	$ 30,000,000.00
1. Malco Management Co. 2. Malco Theatres Inc. 3. Malco Stage Road, LLC 4. Malco Ventures, LLC 5. Circle Bowl Inc.	$ 30,000,000.00
Mount Construction Company, Inc.	$ 30,000,000.00
Super C Group, LLC	$ 30,000,000.00
Sunshine Flowers Corp.	$ 30,000,000.00
Anokiwave, Inc.	$ 30,000,000.00
1. MTI Enterprises, Inc. 2. Music Theatre International, LLC	$ 30,000,000.00
Carey International, Inc.	$ 30,000,000.00
Roadrunner Charters, Inc.	$ 30,000,000.00
Dickey's Capital Group, Inc.	$ 30,000,000.00
1. Landmark Holdings of Florida, LLC 2. Landmark Hospital of Joplin, LLC 3. Landmark Rehabilitation Hospital of Columbia, LLC 4. Landmark Hospital of Athens, LLC 5. Landmark Hospital of Savannah, LLC 6. Landmark Hospital of Cape Girardeau, LLC 7. Landmark Management Services of Florida, LLC 8. Landmark Hospital of Columbia, LLC	$ 30,000,000.00
Midfield Concession Enterprises, Inc.	$ 30,000,000.00
Ironclad, L.P.	$ 30,000,000.00
Hillman Power Company, LLC	$ 30,000,000.00

North Star Fertility Holdings LLC	$ 30,000,000.00
Lagoon Corporation, Inc.	$ 29,975,000.00
TSFR Burger LLC	$ 29,767,600.00
Schlesinger Law Offices P.A.	$ 29,000,000.00
CCCB Energy Partners, LLC	$ 29,000,000.00
Green Development, LLC	$ 28,800,000.00
Keslow Camera, Inc.	$ 28,000,000.00
Fitness Ventures, LLC	$ 28,000,000.00
1. Kona Ice, Inc. 2. Farquaad Properties, LLC 3. Kona Ice Holdings, LLC 4. Kreations Flavoring, LLC	$ 28,000,000.00
1. Awashington, LLC 2. Aedmonds, LLC 3. Akailua Limited Liability Company 4. Aelmonte, LP 5. ASAF Foods Corporation 6. Aventura Limited Partnership 7. Akona Corporation 8. ASOCAL, LLC 9. Apuyallup, LLC 10. Ahueneme Limited Partnership	$ 28,000,000.00
1. Thomas Oilfield Services, LLC 2. Thomas Hauling & Tanks, LLC	$ 27,700,000.00
Blue Agencies, LLC	$ 27,500,000.00
Pacific Northwest Petroleum, Inc.	$ 27,100,000.00
PRO EM Holdings, LLC	$ 27,095,495.00
Bisnow, LLC	$ 27,000,000.00
Newslink Group LLC	$ 26,471,930.00
1. RRH - Den, LLC 2. RRH - Florida, LLC	$ 26,251,548.00
TWG BRL, LLC	$ 26,059,938.00
Spiral Binding LLC	$ 26,000,000.00
Via Real Estate, LLC	$ 26,000,000.00
Midwest Vision Partners, LLC	$ 25,800,000.00
Panaderias LLC	$ 25,750,000.00
Neighborhood Restaurant Partners Florida, LLC	$ 25,684,000.00
Sojern Inc.	$ 25,000,000.00
Ology Bioservices Inc	$ 25,000,000.00
Valta, Inc.	$ 25,000,000.00
Rentex Incorporated	$ 25,000,000.00
Wellshire Financial Services,, LLC	$ 25,000,000.00
Pony Oil Operating, LLC	$ 25,000,000.00

Palm Beach Tan, Inc.	$ 25,000,000.00
Collette Travel Service, Inc.	$ 25,000,000.00
1. Travel Traders Hotels Inc. 2. Travel Traders LLC 3. Travel Traders of Hawaii, Inc 4. Travel Traders of Puerto Rico, Inc. 5. Travel Traders Hotel Stores, Inc 6. Travel Traders of Nevada, Inc. 7. Travel Traders Retail, Inc 8. Travel Traders of P.R., Inc	$ 25,000,000.00
Basic American, Inc.	$ 25,000,000.00
Nobel Oil E&P North America, LLC	$ 25,000,000.00
Cottonwood Financial, LTD	$ 25,000,000.00
Texas Steel Conversion, Inc.	$ 25,000,000.00
SeaTec Consulting Inc.	$ 25,000,000.00
1. Cherry Hill Programs, Inc. 2. Cherry Hill International, Inc. 3. Photogenic, Inc.	$ 25,000,000.00
Victory Energy Operations, LLC	$ 25,000,000.00
Spartan Race, Inc	$ 25,000,000.00
1. Wilson Creek Holdings, Inc. 2. Wilson Creek Energy, LLC 3. Maryland Energy Resources, LLC 4. Elk Lick Energy, Inc. 5. Mincorp Acquisition Corp. 6. RoxCoal, Inc. 7. Croner Inc. 8. Quecreek Mining, Inc. 9. Mincorp, Inc. 10. PBS Coals, Inc.	$ 25,000,000.00
1. San Antonio Wings Holding Co., LLC 2. CNJ Austin Wings II, Inc. 3. CNJ Wings, Inc. 4. CNJ Austin Wings LLC 5. CNL Wings IX, Inc. 6. CNL Wings X, Inc 7. CNL Wings III, Inc. 8. San Antonio Wings, Inc. 9. CNL Wings XIII, Inc. 10. Laredo Wings, Inc.	$ 25,000,000.00
Exceptional Health Care Inc.	$ 25,000,000.00
Local Favorite Restaurants, LLC	$ 24,910,000.00
Big River Holdings, LLC	$ 24,794,866.02
1. Impact CNC LLC 2. PDQ Workholding LLC	$ 24,781,754.00

Allied Lube Texas, LP	$ 24,750,000.00
IXM Holdings, Inc.	$ 24,600,000.00
Edge Direct, LLC	$ 24,510,000.00
Benore Holding Company, Inc.	$ 24,217,712.00
PALMER/AMERICAN HOLDING, INC.	$ 24,000,000.00
1. Michigan Express of Grand Rapids, Inc. 2. Jet Express of Grand Rapids, Inc 3. Martin Transportation Systems, Inc 4. RTS Transportation Systems, Inc 5. Warner Transport Company 6. Bay Logistics, Inc	$ 24,000,000.00
SureFire Holdings LLC	$ 24,000,000.00
Penn Grove Mountain, LLC	$ 24,000,000.00
MPL Brands NV INC.	$ 23,600,000.00
SJB Durango Upstream, LLC	$ 23,512,000.00
Gooby Industries Corp.	$ 23,500,000.00
MidCentral Energy Partners , LLC	$ 23,218,358.00
Access Intelligence LLC	$ 22,900,000.00
Cinch Energy Services LLC	$ 22,750,000.00
CL1, Philadelphia, LLC	$ 22,657,000.00
Green Street Power Partners LLC	$ 22,626,000.00
Prairie Field Services, LLC	$ 22,500,000.00
1. Concourse Sports, LLC 2. The Ozark Source, LLC 3. Rose Sports, LLC 4. ROS, LLC 5. SC Sports, LLC 6. SFI Sports, LLC 7. Concourse Team Express, LLC 8. KPO, LLC	$ 22,305,506.00
1. Northeastern Bus Rebuilders, Inc. 2. Global Bus and Fleet Services, Inc.	$ 22,300,000.00
Bighorn Construction And Reclamation, LLC	$ 22,271,670.00
File & ServeXpress, LLC	$ 22,000,000.00
Premiere Industrial Properties LLC	$ 22,000,000.00
The AffiliatI Network, Inc.	$ 22,000,000.00
1. Epic Theatres, Inc. 2. Epic Theatres 2, LLC 3. Epic Properties Holdings, LLC 4. Epic 2 Properties Holdings, LLC 5. Epic Theatres 3, LLC	$ 21,750,000.00
Consul Partners, LLC	$ 21,744,767.00
Ballengee Holdings	$ 21,566,555.20
Advantage Equipment Rental & Sales, LLC	$ 21,511,252.00

Ogilvie Family Limited Partnership	$ 21,500,000.00
LOGS Legal Group LLP	$ 21,500,000.00
Summit Restaurant Holdings LLC	$ 21,465,649.00
1. Mundy Service Corporation 2. Mundy Support Services LLC 3. Burden Industries LLC 4. Mundy Maintenance and Services LLC 5. Mundy Maintenance, Services and Operations, LLC 6. Gulf Coast Mechanical LLC 7. Mundy Properties, Ltd. 8. Turbine, Pump & Compressor LLC	$ 21,300,000.00
Interior Design Media Group, LLC	$ 21,000,000.00
Gentry & Associates, Inc.	$ 21,000,000.00
Creative Technologies LLC	$ 21,000,000.00
Fabian Couture Group, LLC	$ 20,900,000.00
1. ExportTek Inc. 2. WesternTechSystems Inc.	$ 20,785,250.00
New Orleans Steamboat Company	$ 20,110,525.00
Caymus Funding, Inc.	$ 20,066,000.00
Capital Fitness, Inc.	$ 20,000,000.00
1. Dippin' Dots Holding, L.L.C. 2. Dippin' Dots, L.L.C.	$ 20,000,000.00
Slim Chillers, Inc.	$ 20,000,000.00
Ancor Holdings, LP	$ 20,000,000.00
Cresa Global, Inc.	$ 20,000,000.00
Jet Set Sports LLC	$ 20,000,000.00
Milestone Electric, Inc.	$ 20,000,000.00
Derby Fabricating Solutions, LLC	$ 20,000,000.00
Grech Motors Inc.	$ 20,000,000.00
Special Event Services, INC	$ 20,000,000.00
Reps & Company, Inc.	$ 20,000,000.00
Phoenix Services, LLC	$ 20,000,000.00
Fusion Industries, LLC	$ 20,000,000.00
Nashville Hospitality Concepts, Inc.	$ 20,000,000.00
Phoenix Intermodal Services, Inc.	$ 20,000,000.00
VSS-Southern Theatres LLC	$ 20,000,000.00
Key Investment Group, LLC	$ 20,000,000.00
Pacific Consolidated Industries LLC	$ 20,000,000.00
1. Fives Intralogistics Corp 2. Fives Landis Corp	$ 20,000,000.00
Z and A Infotek Corporation	$ 20,000,000.00
Helicopter Services Group, Inc.	$ 20,000,000.00

Source: Federal Reserve MSLP transaction specific disclosures.

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