

The CARES Act provides for the Federal Reserve creating an SPV that will purchase participation interests in eligible term loans. On April 30, the Federal Reserve posted to its website term sheets that update the Main Street Lending Program term sheets it had originally announced on April 9. The term sheets update each of the [Main Street New Loan Facility \(MSNLF-New\)](#), the [Main Street Expanded Loan Facility \(MSELF-Expanded\)](#), and announces a new [Main Street Priority Loan Facility \(MSPLF-Priority\)](#). The Federal Reserve additionally posted to its website a 19-page [Frequently Asked Questions](#) document for the Main Street Lending Program. The chart below identifies terms of the programs.

Main Street Program Terms	MSNLF- New	MSELF- Expanded	MSPLF-Priority
Facility Availability Period	Fed has not announced commencement date. Participation purchases end September 30, 2020 (unless extended by Treasury or the Fed).	Fed has not announced commencement date. Participation purchases end September 30, 2020 (unless extended by Treasury or the Fed).	Fed has not announced commencement date. Participation purchases end September 30, 2020 (unless extended by Treasury or the Fed).
Tranche	New term loan facility originated after April 24, 2020.	Term loan originated after April 24, 2020 that is an upside of an existing revolving or term loan facility with remaining maturity of at least 18 months.	New term loan facility originated after April 24, 2020.
Loan Maturity¹	4 Years	4 Years	4 Years
Prepayment	Permitted without penalty	Permitted without penalty	Permitted without penalty
Interest Rate	Adjustable rate of LIBOR (1 or 3 month) + 300 basis points	Adjustable rate of LIBOR (1 or 3 month) + 300 basis points	Adjustable rate of LIBOR (1 or 3 month) + 300 basis points
Amortization	Principal and interest deferred (interest capitalized) for first year. One third of principal due at end of years two, three and four.	Principal and interest deferred (interest capitalized) for first year. 15% of principal due at end of years two and three, 70% due at end of year four.	Principal and interest deferred (interest capitalized) for first year. 15% of principal due at end of years two and three, 70% due at end of year four.
Recourse	Full recourse; not forgivable	Full recourse; not forgivable	Full recourse; not forgivable
Collateral	Secured or unsecured	Secured or unsecured. If the existing loan facility is secured, the upsized facility must be secured pro rata by same collateral. Additional collateral can secure upsized tranche	Secured or unsecured. Any collateral that secures Loan must be senior to or <i>pari passu</i> with other debt, except mortgage debt.

Main Street Program Terms	MSNLF- New	MSELF- Expanded	MSPLF-Priority
Minimum Loan Size	\$500,000	\$10,000,000	\$500,000
Maximum Loan Size²	The lesser of \$25M or an amount that, when added to outstanding and undrawn available debt, does not exceed 4.0x adjusted 2019 EBITDA	The lesser of \$200M, 35% of existing outstanding and undrawn available debt, or an amount that, when added to outstanding and undrawn available debt, does not exceed 6.0x adjusted 2019 EBITDA	The lesser of \$25M or an amount that, when added to outstanding and undrawn available debt, does not exceed 6.0x adjusted 2019 EBITDA
Loan Priority	Loan must not be contractually subordinated, in terms of priority, to any of Eligible Borrower's other loans or debt instruments either at the time of origination or at any time during the term of the Loan (loan cannot be junior to other loans in event of bankruptcy).	The upsized tranche must be senior to or pari passu with, in terms of priority and seniority, the Eligible Borrower's other loans or debt instruments, other than mortgage debt, at the time of the upsizing and at all times the upsized tranche is outstanding (loan cannot be junior to other loans in event of bankruptcy).	Loan must be senior to or pari passu with, in terms of priority and seniority, the Eligible Borrower's other loans or debt instruments, other than mortgage debt, at the time of origination and at all times the Loan is outstanding (loan cannot be junior to other loans in event of bankruptcy).
Eligible Lenders³	An Eligible Lender is a U.S. federally insured depository institution (including a bank, savings association, or credit union), a U.S. branch or agency of a foreign bank, a U.S. bank holding company, a U.S. savings and loan holding company, a U.S. intermediate holding company of a foreign banking organization, or a U.S. subsidiary of any of the foregoing.	An Eligible Lender is a U.S. federally insured depository institution (including a bank, savings association, or credit union), a U.S. branch or agency of a foreign bank, a U.S. bank holding company, a U.S. savings and loan holding company, a U.S. intermediate holding company of a foreign banking organization, or a U.S. subsidiary of any of the foregoing.	An Eligible Lender is a U.S. federally insured depository institution (including a bank, savings association, or credit union), a U.S. branch or agency of a foreign bank, a U.S. bank holding company, a U.S. savings and loan holding company, a U.S. intermediate holding company of a foreign banking organization, or a U.S. subsidiary of any of the foregoing.
Eligible Borrowers⁴	An Eligible Borrower is a Business ⁵ that was established prior to March 13, 2020; is not an Ineligible Business ⁶ ; meets at least one of the following two conditions:	An Eligible Borrower is a Business ⁸ that was established prior to March 13, 2020; is not an Ineligible Business ⁹ ; meets at least one of the following two conditions:	An Eligible Borrower is a Business ¹¹ that was established prior to March 13, 2020; is not an Ineligible Business ¹² ; meets at least one of the following two conditions:

Main Street Program Terms	MSNLF- New	MSELF- Expanded	MSPLF-Priority
	<p>(i) has 15,000 employees or fewer, or (ii) had 2019 annual revenues of \$5 billion or less;</p> <p>is created or organized in the United States or under the laws of the United States with significant operations in and a majority of its employees based in the United States;</p> <p>does not also participate in the MSELF-Expanded, the MSPLF-Priority, or the Primary Market Corporate Credit Facility; and</p> <p>has not received specific support pursuant to the Coronavirus Economic Stabilization Act of 2020 (Subtitle A of Title IV of the CARES Act).⁷</p> <p>Currently, non-profits are not eligible.</p>	<p>(i) has 15,000 employees or fewer, or (ii) had 2019 annual revenues of \$5 billion or less;</p> <p>is created or organized in the United States or under the laws of the United States with significant operations in and a majority of its employees based in the United States;</p> <p>does not also participate in the MSNLF-New, the MSPLF-Priority, or the Primary Market Corporate Credit Facility; and</p> <p>has not received specific support pursuant to the Coronavirus Economic Stabilization Act of 2020 (Subtitle A of Title IV of the CARES Act).¹⁰</p> <p>Currently, non-profits are not eligible.</p>	<p>(i) has 15,000 employees or fewer, or (ii) had 2019 annual revenues of \$5 billion or less;</p> <p>is created or organized in the United States or under the laws of the United States with significant operations in and a majority of its employees based in the United States;</p> <p>does not also participate in the MSNLF-New, the MSELF-Expanded, or the Primary Market Corporate Credit Facility; and</p> <p>has not received specific support pursuant to the Coronavirus Economic Stabilization Act of 2020 (Subtitle A of Title IV of the CARES Act).¹³</p> <p>Currently, non-profits are not eligible.</p>
Lender Compensation¹⁴	<p>Borrower will pay Lender an origination fee of up to 100 basis points of the principal amount of the Loan at the time of origination.</p> <p>The SPV will pay Lender 25 basis points of the principal amount of its participation in the Loan per annum for loan servicing.</p>	<p>Borrower will pay Lender an origination fee of up to 75 basis points of the principal amount of the upsized tranche of the Loan at the time of upsizing.</p> <p>The SPV will pay Lender 25 basis points of the principal amount of its participation in the upsized tranche of the Loan per annum for loan servicing.</p>	<p>Borrower will pay Lender an origination fee of up to 100 basis points of the principal amount of the Loan at the time of origination.</p> <p>The SPV will pay Lender 25 basis points of the principal amount of its participation in the Loan per annum for loan servicing.</p>
Lender Costs	<p>Lender will pay the SPV a transaction fee of 100 basis points of the principal amount of the Loan at the time of origination. The Lender may require the Borrower to pay this fee.</p>	<p>Lender will pay the SPV a transaction fee of 75 basis points of the principal amount of the upsized tranche of the Loan at the time of upsizing. The Lender may require the Borrower to pay this fee.</p>	<p>Lender will pay the SPV a transaction fee of 100 basis points of the principal amount of the Loan at the time of origination. The Lender may require the Borrower to pay this fee.</p>
Loan Classification	<p>If the Borrower had other loans outstanding with the</p>	<p>The loan must have had an internal risk rating equivalent to a “pass” in the</p>	<p>If the Borrower had other loans outstanding with the</p>

Main Street Program Terms	MSNLF- New	MSELF- Expanded	MSPLF-Priority
	<p>Lender as of December 31, 2019, such loans must have had an internal risk rating equivalent to a “pass” in the Federal Financial Institutions Examination Council’s supervisory rating system on that date.</p>	<p>Federal Financial Institutions Examination Council’s supervisory rating system as of December 31, 2019.</p>	<p>Lender as of December 31, 2019, such loans must have had an internal risk rating equivalent to a “pass” in the Federal Financial Institutions Examination Council’s supervisory rating system on that date.</p>
<p>Employee Retention</p>	<p>Each Borrower that participates in the Facility should make commercially reasonable efforts to maintain its payroll and retain its employees during the time the Loan is outstanding. The Fed’s FAQ sheet indicates “commercially reasonable” means good faith efforts in light of the circumstances.</p>	<p>Each Borrower that participates in the Facility should make commercially reasonable efforts to maintain its payroll and retain its employees during the time the upsized tranche of the Loan is outstanding. The Fed’s FAQ sheet indicates “commercially reasonable” means good faith efforts in light of the circumstances.</p>	<p>Each Borrower that participates in the Facility should make commercially reasonable efforts to maintain its payroll and retain its employees during the time the Loan is outstanding. The Fed’s FAQ sheet indicates “commercially reasonable” means good faith efforts in light of the circumstances.</p>
<p>Assessment of Borrower’s Financial Condition</p>	<p>Lenders are expected to conduct an assessment of each potential Borrower’s financial condition at the time of the potential Borrower’s application.</p>	<p>Lenders are expected to conduct an assessment of each potential Borrower’s financial condition at the time of the potential Borrower’s application.</p>	<p>Lenders are expected to conduct an assessment of each potential Borrower’s financial condition at the time of the potential Borrower’s application.</p>
<p>Lender Certifications and Covenants¹⁵</p>	<p>Lender must commit that it will not request that the Borrower repay other debt extended by the Lender to the Borrower, or pay interest on such debt, until the Loan is repaid in full, unless the other debt or interest payment is mandatory and due, or in the case of default and acceleration.</p> <p>Lender must commit that it will not cancel or reduce any existing committed lines of credit to the Borrower, except in an event of default.</p> <p>Lender must certify that the methodology used for calculating the Borrower’s</p>	<p>Lender must commit that it will not request that the Borrower repay other debt extended by the Lender to the Borrower, or pay interest on such debt, until the upsized tranche of the Loan is repaid in full, unless the other debt or interest payment is mandatory and due, or in the case of default and acceleration.</p> <p>Lender must commit that it will not cancel or reduce any existing committed lines of credit to the Borrower, except in an event of default.</p> <p>Lender must certify that the methodology used for calculating the Borrower’s</p>	<p>Lender must commit that it will not request that the Borrower repay other debt extended by the Lender to the Borrower, or pay interest on such debt, until the Loan is repaid in full, unless the other debt or interest payment is mandatory and due, or in the case of default and acceleration.</p> <p>Lender must commit that it will not cancel or reduce any existing committed lines of credit to the Borrower, except in an event of default.</p> <p>Lender must certify that the methodology used for calculating the Borrower’s</p>

Main Street Program Terms	MSNLF- New	MSELF- Expanded	MSPLF-Priority
	<p>adjusted 2019 EBITDA for the leverage requirement is the methodology it has previously used for adjusting EBITDA when extending credit to the Borrower or similarly situated borrowers on or before April 24, 2020.</p> <p>Eligible Lender must certify that it is eligible to participate in the Facility, including in light of the conflicts of interest prohibition in section 4019(b) of the CARES Act.</p>	<p>adjusted 2019 EBITDA for the leverage requirement is the methodology it has previously used for adjusting EBITDA when extending credit to the Borrower or similarly situated borrowers on or before April 24, 2020.</p> <p>Eligible Lender must certify that it is eligible to participate in the Facility, including in light of the conflicts of interest prohibition in section 4019(b) of the CARES Act.</p>	<p>adjusted 2019 EBITDA for the leverage requirement is the methodology it has previously used for adjusting EBITDA when extending credit to the Borrower or similarly situated borrowers on or before April 24, 2020.</p> <p>Eligible Lender must certify that it is eligible to participate in the Facility, including in light of the conflicts of interest prohibition in section 4019(b) of the CARES Act.</p>
<p>Borrower Certifications and Covenants¹⁶</p>	<p>Borrower must commit to refrain from repaying the principal balance of, or paying any interest on, any debt until the Loan is repaid in full, unless the debt or interest payment is mandatory and due.</p> <p>Borrower must commit that it will not seek to cancel or reduce any of its committed lines of credit with the Lender or any other lender.</p> <p>Borrower must certify that it has a reasonable basis to believe that, as of the date of origination of the Loan and after giving effect to such loan, it has the ability to meet its financial obligations for at least the next 90 days and does not expect to file for bankruptcy during that time period.</p> <p>Borrower must commit that it will follow compensation, stock repurchase, and capital distribution restrictions that apply to direct loan programs under section 4003(c)(3)(A)(ii) of the CARES Act, except that an S corporation or other tax pass-through entity that</p>	<p>Borrower must commit to refrain from repaying the principal balance of, or paying any interest on, any debt until the upsized tranche of the Loan is repaid in full, unless the debt or interest payment is mandatory and due.</p> <p>Borrower must commit that it will not seek to cancel or reduce any of its committed lines of credit with the Lender or any other lender.</p> <p>Borrower must certify that it has a reasonable basis to believe that, as of the date of upsizing of the Loan and after giving effect to such upsizing, it has the ability to meet its financial obligations for at least the next 90 days and does not expect to file for bankruptcy during that time period.</p> <p>Borrower must commit that it will follow compensation, stock repurchase, and capital distribution restrictions that apply to direct loan programs under section 4003(c)(3)(A)(ii) of the CARES Act, except that an S corporation or other</p>	<p>Borrower must commit to refrain from repaying the principal balance of, or paying any interest on, any debt until the Loan is repaid in full, unless the debt or interest payment is mandatory and due. However, the Borrower may, at the time of origination of the Loan, refinance existing debt owed by the Borrower to a lender that is not the Lender.</p> <p>Borrower must commit that it will not seek to cancel or reduce any of its committed lines of credit with the Lender or any other lender.</p> <p>Borrower must certify that it has a reasonable basis to believe that, as of the date of origination of the Loan and after giving effect to such loan, it has the ability to meet its financial obligations for at least the next 90 days and does not expect to file for bankruptcy during that time period.</p> <p>Borrower must commit that it will follow compensation, stock repurchase, and</p>

Main Street Program Terms	MSNLF- New	MSELF- Expanded	MSPLF-Priority
	<p>is a Borrower may make distributions to the extent reasonably required to cover its owners' tax obligations in respect of the entity's earnings.</p> <p>Borrower must certify that it is eligible to participate in the Facility, including in light of the conflicts of interest prohibition in section 4019(b) of the CARES Act.</p>	<p>tax pass-through entity that is a Borrower may make distributions to the extent reasonably required to cover its owners' tax obligations in respect of the entity's earnings.</p> <p>Borrower must certify that it is eligible to participate in the Facility, including in light of the conflicts of interest prohibition in section 4019(b) of the CARES Act.</p>	<p>capital distribution restrictions that apply to direct loan programs under section 4003(c)(3)(A)(ii) of the CARES Act, except that an S corporation or other tax pass-through entity that is a Borrower may make distributions to the extent reasonably required to cover its owners' tax obligations in respect of the entity's earnings.</p> <p>Borrower must certify that it is eligible to participate in the Facility, including in light of the conflicts of interest prohibition in section 4019(b) of the CARES Act.</p>
Participations	<p>"True sale" to SPV of 95% interest. Lender must retain 5% until earlier of maturity or SPV sells participation. Term sheet does not state any condition on SPV's ability to sell its participation.</p>	<p>"True sale" to SPV of 95% interest. Lender must retain 5% until earlier of maturity or SPV sells participation. Seller must retain interest in original eligible loan until earlier of maturity of original eligible loan, maturity of upsized tranche, or SPV sells participation. Term sheet does not state any condition on SPV's ability to sell its participation.</p>	<p>"True sale" to SPV of 85% interest. Lender must retain 15% until earlier of maturity or SPV sells participation. Term sheet does not state any condition on SPV's ability to sell its participation.</p>
Participation Agreement	<p>Form of participation agreement has not been published.</p>	<p>Form of participation agreement has not been published.</p>	<p>Form of participation agreement has not been published.</p>
Eligibility if a Payroll Protection Program Borrower	<p>Eligible Borrower who borrowed under PPP can borrow under this facility.</p>	<p>Eligible Borrower who borrowed under PPP can borrow under this facility.</p>	<p>Eligible Borrower who borrowed under PPP can borrow under this facility.</p>
Eligibility if a Primary Market Corporate Credit Facility Borrower	<p>Borrower under PMCCF cannot borrow under MSNLF - New</p>	<p>Borrower under PMCCF cannot borrow under MSELF - Expanded</p>	<p>Borrower under PMCCF cannot borrow under MSPLF - Priority</p>

Questions?

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¹ "Loan" when hereinafter used refers to the Eligible Loan.

² The methodology used by the Eligible Lender to calculate adjusted 2019 EBITDA must be the methodology it has previously used for adjusting EBITDA when extending credit to the Eligible Borrower or similarly situated borrowers on or before April 24, 2020.

³ "Lenders" when hereinafter used refers to Eligible Lenders.

⁴ "Borrowers" when hereinafter used refers to Eligible Borrowers.

⁵ "For the purposes of the Facility, a Business is an entity that is organized for profit as a partnership; a limited liability company; a corporation; an association; a trust; a cooperative; a joint venture with no more than 49 percent participation by foreign business entities; or a tribal business concern as defined in 15 U.S.C. § 657a(b)(2)(C), except that 'small business concern' in that paragraph should be replaced with 'Business' as defined herein. Other forms of organization may be considered for inclusion as a Business under the Facility at the discretion of the Federal Reserve."

⁶ For the purposes of the Facility, an Ineligible Business is a type of business listed in 13 CFR 120.110(b)-(j) and (m)-(s), as modified by regulations implementing the Paycheck Protection Program established by section 1102 of the CARES Act ("PPP") on or before April 24, 2020. The application of these restrictions to the Facility may be further modified at the discretion of the Federal Reserve.

⁷ Businesses that have received PPP loans are permitted to borrow under the Facility, provided that they are Eligible Borrowers.

⁸ *see note 4*

⁹ *see note 5*

¹⁰ *see note 6*

¹¹ *see note 4*

¹² *see note 5*

¹³ *see note 6*

¹⁴ Further information regarding credit administration and loan servicing will be made available on the Board's website.

¹⁵ These are in addition to other certifications required by applicable statutes and regulations.

¹⁶ These are in addition to other certifications required by applicable statutes and regulations. Lender is expected to collect the required certifications and covenants from each Borrower at the time of origination of the Loan, or at the time of upsizing of the Loan in the case of MSNLF-Expanded. Lender may rely on Borrower's certifications and covenants, as well as any subsequent self-reporting by Borrower.