

Main Street Lending Program Overview

The Federal Reserve established the Main Street Lending Program (MSLP) to promote lending to a wide variety of small- and medium-sized businesses that were in good financial condition before the onset of the COVID-19 pandemic to help maintain operations and payroll.

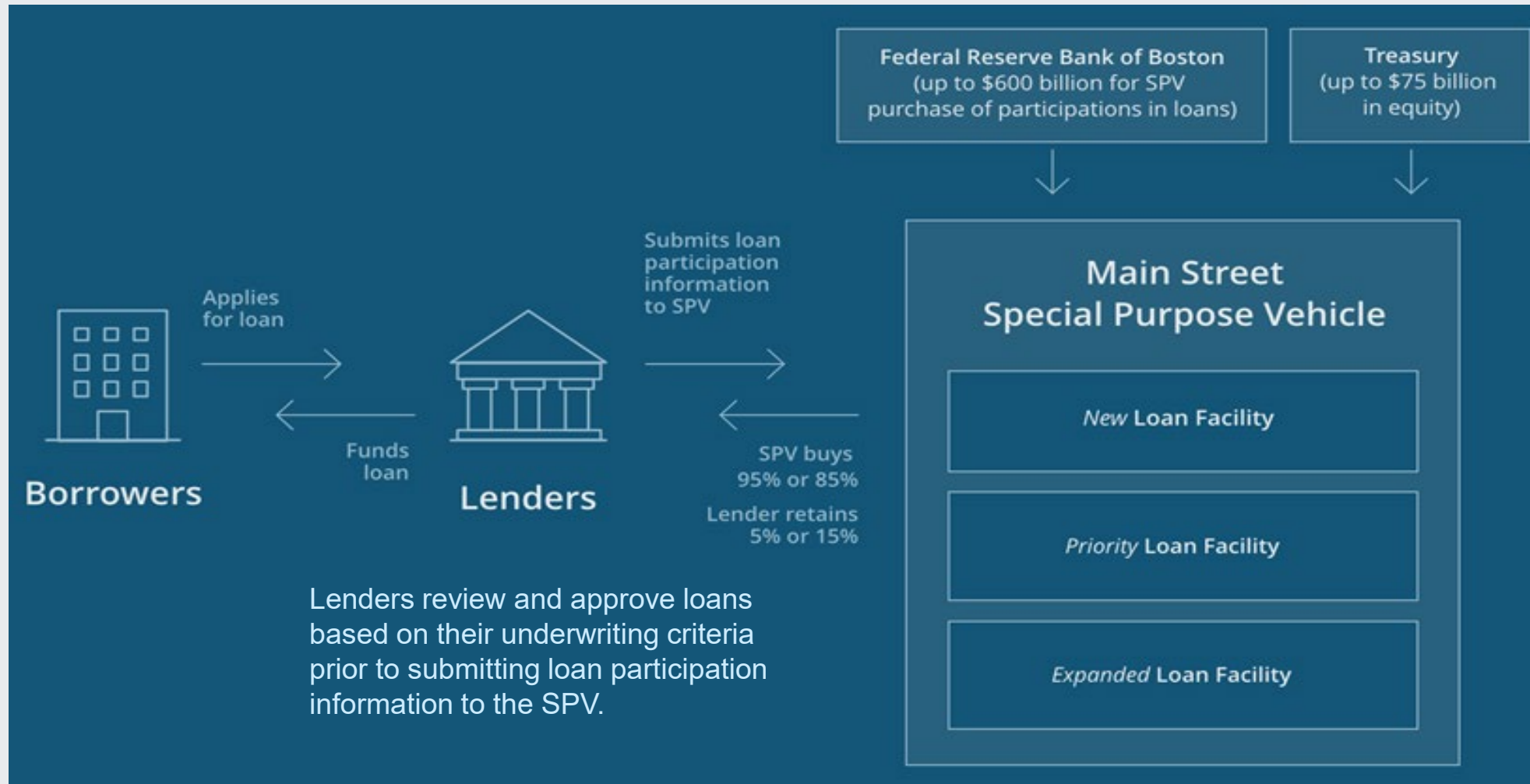
MSLP Overview (continued)

The program operates through three lending facilities and offers four-year loans, ranging in size from \$500,000 to \$200 million, with floating rates, and principal and interest payments deferred during the first year to assist businesses facing temporary cash flow interruptions.

Lending is conducted through Eligible Lenders. The Federal Reserve does not extend loans directly to borrowers.

Main Street loans are not grants and cannot be forgiven.

MSLP Overview (continued)



Eligible Loans

Eligible Loans are secured or unsecured term loans made by an Eligible Lender to an Eligible Borrower originated after April 24, 2020.

- ▷ Eligible Loan features as required by the program are shown in the chart on the following page and in the [program term sheets](#).
- ▷ Eligible Lenders may request additional information and documentation, and they will apply their own underwriting standards in evaluating the financial condition and creditworthiness of a potential borrower.
- ▷ Eligible Lenders will ultimately determine whether Eligible Borrowers are approved for a Main Street loan.

Eligible Loans (continued)

	New Loan Facility	Priority Loan Facility	Expanded Loan Facility
Loan Term	4 years		
Interest Rate	Adjustable rate of LIBOR (1 or 3 month) + 300 basis points		
Principal and Interest Payments, Year 1	None (principal and interest deferred for 1 year)		
Loan Size	\$500,000–\$25 million	\$500,000–\$25 million	\$10 million–\$200 million
Relevant Adjusted 2019 EBITDA for Maximum Loan Size Calculation	4 times	6 times	6 times
Lender Participation Rate	Lender will retain 5% of the loan	Lender will retain 15% of the loan	Lender will retain 5% of the upsized tranche
Main Street SPV Participation Rate	Main Street SPV will purchase a 95% interest in the loan	Main Street SPV will purchase an 85% interest in the loan	Main Street SPV will purchase a 95% interest in the upsized tranche of the loan
Principal Payments, Year 2 – Year 4	33.3%, 33.3%, 33.3%	15%, 15%, 70%	15%, 15%, 70%
Prepayment Allowed	Yes, without penalty		
Loan Fees	Origination and transaction fees may apply		

Eligible Lenders

Eligible Lenders include the following (criteria are the same across all three facilities):

- ▷ U.S. federally insured depository institutions (including banks, savings associations, and credit unions)
- ▷ U.S. branches or agencies of foreign banks
- ▷ U.S. bank holding companies
- ▷ U.S. savings and loan holding companies
- ▷ U.S. intermediate holding companies of foreign banking organizations
- ▷ Any U.S. subsidiary of any of the above-mentioned institutions

Eligible Borrowers

Eligible Borrowers are Businesses (as defined in the term sheets) with the following characteristics (criteria are the same across all three facilities):

- ▷ U.S. Business established prior to March 13, 2020
- ▷ Up to 15,000 employees or up to \$5 billion in 2019 annual revenue
- ▷ Must not be an Ineligible Business
 - ▷ Ineligible Businesses include Businesses listed in 13 CFR 120.110(b)-(j), (m)-(s), as modified and clarified by SBA regulations for purposes of the PPP on or before April 24, 2020
- ▷ Must be able to meet all conditions and certifications required by the program

Eligible Borrower Conditions

- ▷ Eligible Borrowers may participate in only one of the Main Street facilities (New, Priority, or Expanded).
- ▷ Eligible Borrowers participating in a Main Street facility may not also participate in the Primary Market Corporate Credit Facility.
- ▷ In addition, an affiliated group of companies can participate in only one Main Street facility, and may not participate in both a Main Street facility (New, Priority, or Expanded) and the Primary Market Corporate Credit Facility.
- ▷ Eligible Borrowers that have received loans under the CARES Act PPP loan program may also receive Main Street loans.
- ▷ Eligible Borrowers that have received or will receive an Economic Injury Disaster Loan (EIDL) advance may also receive Main Street loans.

Eligible Borrower Legal Documentation

Eligible Lenders will require Eligible Borrowers to sign **Facility Borrower Certifications and Covenants** for each loan. Each Main Street facility has a different form, and the certifications and covenants vary based on the facility.

- ▷ By signing the form, Eligible Borrowers certify to, among other things, the following:
 - ▷ The business is eligible to participate in the Main Street facility, including with respect to legal and term sheet eligibility requirements.
 - ▷ After giving effect to the Main Street loan, the business has the ability to meet its financial obligations for at least 90 days and does not expect to file for bankruptcy in that period.
 - ▷ The business has provided accurate financial records to the Eligible Lender.

Eligible Borrower Legal Documentation (Continued)

- ▷ Eligible Borrowers will be required to complete all loan documentation required by their Eligible Lenders.
- ▷ In addition, together with the Borrower Certifications and Covenants, Eligible Borrowers will generally be required to sign the following documents, which will be provided by their Eligible Lenders:
 - ▷ **Assignment Executed in Blank:** This form gives consent to the Main Street SPV to elevate its participation in the loan (including in connection with a sale to a third party) in a limited set of circumstances.
 - ▷ **Co-Lender Agreement:** In the event the Main Street SPV elevates its participation in the loan, this form sets out intercreditor arrangements for the Main Street SPV (or its successor) and the Eligible Lender with respect to the Eligible Borrower's loan.

Getting Started

- ▷ Interested businesses should contact an Eligible Lender to discuss applying for a loan that would meet the program criteria for an Eligible Loan, which are available on the [MSLP website](#).
 - ▷ As previously noted, such loans also need to meet the lender's underwriting standards.
- ▷ Eligible Borrowers must submit an application and other required documentation to an Eligible Lender (lenders may use their own loan documents).
- ▷ Eligible Lenders determine whether Eligible Borrowers are approved for a loan.

Additional Information

- ▷ The Main Street SPV will stop purchasing participations in Eligible Loans on September 30, 2020, unless extended by the Federal Reserve Board and the Department of the Treasury.
- ▷ Borrowers that are not eligible for a Main Street loan may consult the [Treasury Department](#) and [SBA](#) for information about other relief programs.