Summary of U.S. Treasury and Federal Reserve Programs to Support the Economy

As of May 4, 2020, subject to updating to reflect clarifications and changes to existing programs and the establishment of new programs.

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Summary of Treasury and Federal Reserve Programs

- The Federal Reserve Board (the “Federal Reserve”), pursuant to its authority under section 13(3) of the Federal Reserve Act and with approval of the Secretary of the Treasury (“Treasury”), has established several facilities that are providing, or will provide, liquidity to the U.S. economy.
- Under section 4003(b)(4) of the CARES Act, $454 billion (plus any additional amounts under section 4003 that are not used for their specified purpose) has been allocated to Treasury to support Federal Reserve programs that support lending to certain businesses, states or municipalities.
  - The next slide outlines the Federal Reserve’s authority, under section 13(3), to establish these facilities.
  - Slide 6 illustrates how Treasury has used these funds to date.
- The remainder of this deck summarizes the terms and conditions for participation in these programs.
- These slides do not summarize requirements regarding direct loans made by Treasury to air carriers and businesses critical to national security as provided in sections 4003(b)(1)-(3) of the CARES Act.
- These slides are subject to updating to reflect clarifications and changes to existing programs and the establishment of new programs.

Summary of Treasury and Federal Reserve Programs: *Section 13(3)*

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- **Section 13(3) Overview**. Section 13(3) of the Federal Reserve Act authorizes the Federal Reserve to extend loans in "unusual and exigent circumstances" to participants in a "program or facility with broad-based eligibility" that are "unable to secure adequate credit accommodations from other banking institutions," subject to certain conditions.

- **Loans to Special Purpose Vehicles**. Because section 13(3) provides authority for the Federal Reserve to engage in lending, the Federal Reserve cannot purchase assets directly.
  - As a result, many of the Federal Reserve facilities, *e.g.*, CPFF and MMLF, are structured with a special purpose vehicle ("SPV").
  - Under the SPV structure, the Federal Reserve Bank, using section 13(3) authority, lends to the SPV, and then the SPV, using the proceeds of the loan from the Federal Reserve Bank, purchases the eligible assets.

- **Loans are Satisfactorily Secured**. Section 13(3) also requires that the loan be secured to the satisfaction of the Federal Reserve Bank making the loan.
  - The Federal Reserve appears to have determined that its loans under various facilities are "satisfactorily secured" based upon Treasury's providing credit protection or making an equity investment in the facility's SPV.
  - Based on the terms announced to date, the Federal Reserve appears to be willing to leverage Treasury's investment between 3x and 10x.

Summary of Treasury and Federal Reserve Programs: *Section 13(3)*

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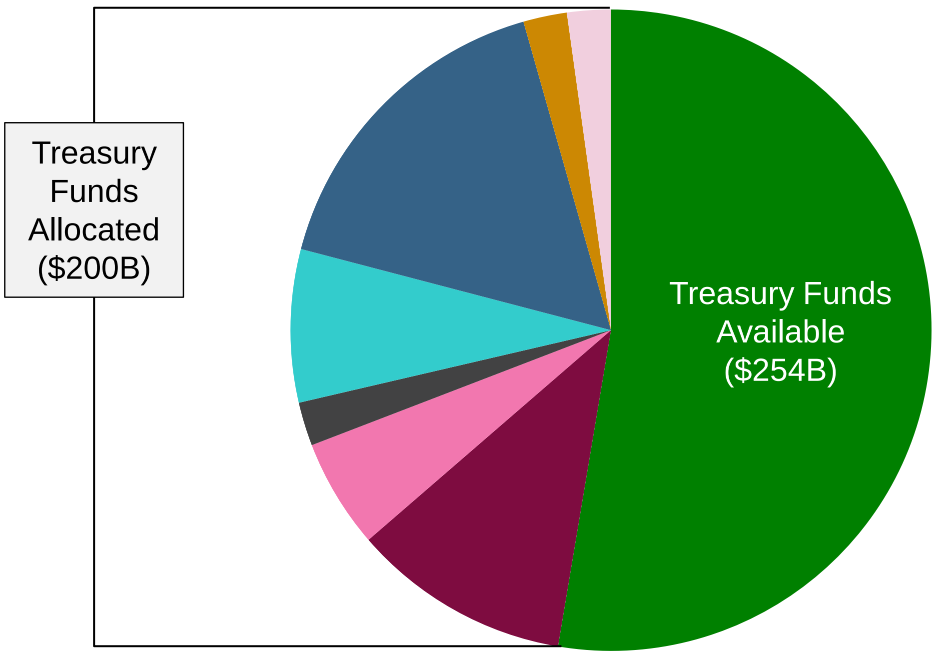
- **Required Borrower Certifications**. A borrower in a section 13(3) facility must certify that (i) it is not insolvent, and (ii) it is unable to secure adequate credit accommodations from other banking institutions.
  - The Federal Reserve has stated that in making the second certification regarding credit accommodations, the borrower may rely on current economic or market conditions, including conditions related to the availability and price of credit available, and that the borrower need not certify that credit is unavailable.
- **Public Disclosure**. For all facilities established under section 13(3) in which Treasury is making an equity investment under the CARES Act, the Federal Reserve has said it will report information, such as names and details of participants in the facilities, amounts borrowed and interest rate charged, and overall costs, revenues and fees for each of the facilities at least every 30 days and without redactions.
  - Specifically, these facilities include PMCCF, SMCCF, MLF, Main Street Facilities and TALF.
  - In addition, the Dodd-Frank Act requires transaction details regarding all section 13(3) facilities to be publicly disclosed one year after the facility is closed.

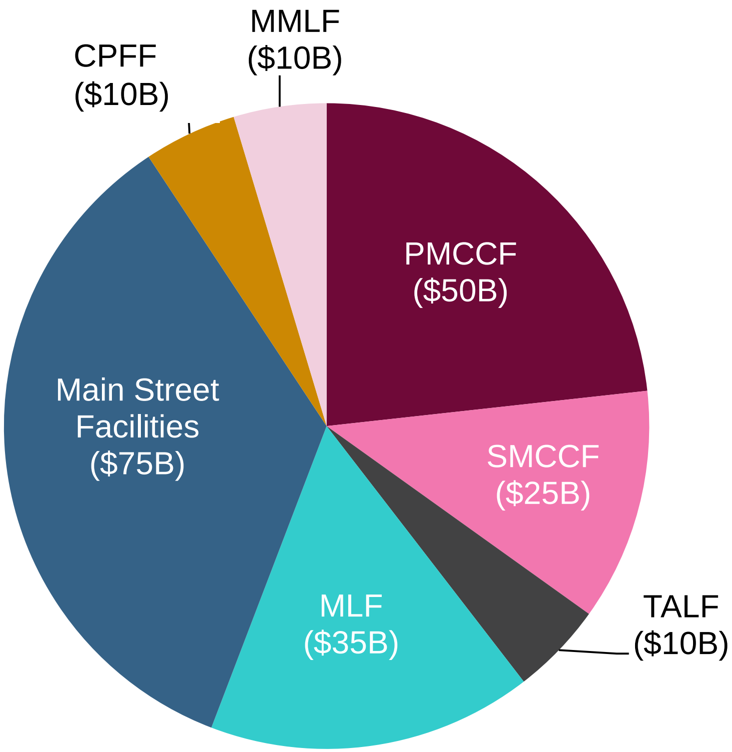
Allocation of Treasury Financial Support

These charts illustrate the allocation of funds among the Federal Reserve programs. Treasury's support is either in the form of an equity investment to the applicable facility or credit protection, in each case providing a financial backstop to such facility.

Total $454B Allocation Breakdown as of April 13, 2020



Treasury Support Among Federal Reserve Programs



Commercial Paper Funding Facility: *Terms and Conditions*

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Facility Overview	➢ FRBNY, through an SPV, will purchase commercial paper issued by eligible issuers from FRBNY's primary dealers.
	    ➢ Eligible issuers may sell commercial paper to CPFF through FRBNY's primary dealers.
	    ➢ A list of primary dealers is available here.
	➢ FRBNY retained Pacific Investment Management Company, LLC as investment manager and State Street Bank & Trust Company as custodian and accounting administrator.
	➢ The terms and conditions, frequently asked questions and agreements are available here.

Similar Facility Provided in 2008/2009?	Yes
Treasury Allocation	$10B equity investment in the SPV
Announcement Date	March 17, 2020 (term sheet published)
Term Sheet Amendments	Updated March 23, 2020, including by revising Treasury's allocation (from credit protection to equity investment in the SPV), adding municipal issuers, stating the facility will not purchase ABCP from issuers that were inactive prior to the creation of CPFF, and revising treatment of issuers based on ratings.
Launch Date	April 14, 2020
Eligible Issuer	➢ U.S. issuers of commercial paper, including municipal issuers and U.S. issuers with a foreign parent company ➢ **Not** eligible if the issuer did not issue ABCP to institutions other than the sponsoring institution for any consecutive period of three months or longer between March 16, 2019 and March 16, 2020

Commercial Paper Funding Facility: *Terms and Conditions*

Eligible Issuer Rating	➢ Rated at least A1/P1/F1 as of March 17, 2020 by a Major NRSRO
	    ➢ If rated by multiple Major NRSROs, must achieve this rating by at least two Major NRSROs
	➢ If downgraded since March 17, 2020, must be rated at least A2/P2/F2 by a Major NRSRO
	    ➢ If rated by multiple Major NRSROs, must achieve this rating by at least two Major NRSROs
	    ➢ Such issuers are eligible for only a one-time sale of commercial paper to the SPV

Eligible Assets	➢ U.S. dollar-denominated three-month commercial paper (including ABCP) ➢ Must be issued by an eligible issuer
Excluded Assets	➢ Commercial paper with an extendable maturity ➢ Interest-bearing commercial paper ➢ VRDNs and VRDOs ➢ Assets from an issuer that is currently rated below A2/P2/F2 or is currently rated A2/F2/P2 and was rated A2/F2/P2 or below on March 17, 2020 ➢ Assets from issuers that were inactive prior to the announcement of CPFF (*See* "Eligible Issuer" row above) ➢ Assets in the secondary market (however, an issuer can repurchase its own outstanding commercial paper and finance that repurchase by selling it to CPFF)
Pricing	**Commercial paper rated A1/P1/F1**: Then-current three-month OIS rate plus 110 bps **Commercial paper rated A2/P2/F2**: Then-current three-month OIS rate plus 200 bps

Commercial Paper Funding Facility: *Terms and Conditions*

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Limits per Issuer	➢ No more than the greatest amount of U.S. dollar-denominated commercial paper the issuer had outstanding on any day between March 16, 2019 and March 16, 2020 ➢ If an issuer was downgraded and remains eligible, no more than the amount of U.S. dollar-denominated commercial paper the issuer had outstanding the day before it was downgraded
Facility Fee	10 bps of the maximum amount of the commercial paper the SPV may own
Termination	➢ March 17, 2021 (unless the Federal Reserve renews the facility) ➢ FRBNY will continue to fund the SPV until the SPV's assets have matured or are sold.

Money Market Mutual Fund Liquidity Facility: *Terms and Conditions*

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Facility Overview	➢ FRBB will lend directly, on a nonrecourse basis, to eligible financial institutions secured by high-quality assets purchased by the financial institution from MMMFs. ➢ The term sheet, frequently asked questions and agreements are available <u>here</u>.
Similar Facility Provided in 2008/2009?	Yes
Treasury Allocation	$10B credit protection to FRBB
Announcement Date	March 18, 2020 (term sheet published)
Launch Date	March 23, 2020
Advance Amount	Equal to the value of the collateral pledged to secure the advance (valued at amortized cost or fair value)
Borrower Eligibility	➢ All U.S. depository institutions ➢ U.S. bank holding companies (parent companies incorporated in the United States or their U.S. broker-dealer subsidiaries) ➢ U.S. branches and agencies of foreign banks
Money Market Mutual Funds	Must identify itself as a Prime, Single State or Other Tax-Exempt money market fund under item A.10 of Securities and Exchange Commission Form N-MFP

Money Market Mutual Fund Liquidity Facility: *Terms and Conditions*

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Maturity	Equal to the maturity of the eligible collateral pledged to secure the advance, not to exceed 12 months
Timing	➢ Collateral that may be pledged concurrently with the borrowing include: ➢ VRDNs and NCD if purchased after March 25, 2020, and ➢ All other collateral, if purchased after March 23, 2020. ➢ Collateral that may be pledged "expeditiously" include: ➢ VRDNs and NCD, if purchased on or after March 23, 2020 and before close of business on March 25, 2020, ➢ Short-term U.S. municipal bonds, if purchased on or after March 20, 2020 and before close of business on March 23, 2020, and ➢ All other collateral, if purchased on or after March 18, 2020 and before close of business on March 23, 2020.
Advance Rate	**U.S. Treasuries and fully guaranteed agencies or U.S. government-sponsored entity securities collateral**: Primary credit rate offered to depository institutions at the time the advance is made **Short-term U.S. municipal bonds, including variable rate demand notes**: Primary credit rate + 25 bps **All other advances**: Primary credit rate + 100 bps
Fees	None

Money Market Mutual Fund Liquidity Facility: *Terms and Conditions*

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Eligible Collateral	➢ U.S. Treasuries securities and fully guaranteed agency securities
	➢ Securities issued by U.S. government-sponsored entities
	➢ ABCP, unsecured commercial paper or NCDs issued by a U.S. issuer
	    ➢ Must have a short-term rating (at the time of purchase from the fund or pledge to FRBB) in the top category (*e.g.*, not lower than A1, F1 or P1) by at least two Major NRSROs, or if only rated by one Major NRSRO, must achieve the top rating category by that NRSRO.
	➢ U.S. municipal short-term debt (excluding variable rate demand notes) with a maturity of no more than 12 months
	    ➢ If rated in the short-term rating category, must be rated (at the time of purchase from the fund or pledge to FRBB) in the top short-term rating category (*e.g.*, SP1, MIG1 or F1) by at least two Major NRSROs, or if rated by only one Major NRSRO, is rated within the top rating category by that NRSRO
	    ➢ Otherwise, must be rated (at the time of purchase from the fund or pledge to FRBB) in one of the top two long-term rating categories (*e.g.*, AA or equivalent) by at least two Major NRSROs, or if rated by only one Major NRSRO, is rated within the top two rating categories by that NRSRO
	➢ VRDNs that (i) have a demand feature that allow holders to tender the notes within 12 months and (ii) meet the same rating requirements as for U.S. municipal short-term debt above
	➢ Receivables from certain repurchase agreements

Excluded Assets	➢ Collateral that the borrower owned prior to the creation of the program ➢ Commercial paper with an extendable maturity ➢ Tender option bonds ➢ NCDs and commercial paper issued directly by a foreign entity (however, NCDs and commercial paper issued by a U.S. branch of a foreign bank are acceptable)

Money Market Mutual Fund Liquidity Facility: *Terms and Conditions*

Regulatory Capital Treatment	Assets pledged to MMLF and any assets purchased from MMMFs on or after March 18, 2020 that the firm intends to pledge to MMLF are exempt from risk-based capital and leverage requirements.
Termination	September 30, 2020 (unless the Federal Reserve extends MMLF)

Primary Market Corporate Credit Facility: *Terms and Conditions*

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Facility Overview	➢ FRBNY will lend to an SPV that will purchase qualifying bonds and portions of syndicated loans or bonds directly from eligible issuers. ➢ FRBNY retained BlackRock Financial Markets Advisory as investment manager. ➢ The term sheet and frequently asked questions are available here.
Similar Facility Provided in 2008/2009?	No
Facility Size	Up to $750B (when combined with SMCCF)
Treasury Allocation	$50B equity investment in the SPV PMCCF will leverage Treasury's equity. ➢ **Corporate bonds or syndicated loans from issuers that are investment grade at the time of purchase**: 10 to 1 ➢ **All other debt**: 7 to 1
Announcement Date	March 23, 2020 (term sheet published)
Term Sheet Amendments	Updated April 9, 2020, including by increasing Treasury's equity investment (from $10B to $50B) and by making substantial revisions to program requirements, including issuer eligibility and ratings criteria, eligible assets, facility leverage, issuer limits, pricing and other requirements. ➢ PMCCF structure was changed from purchasing bonds directly from eligible issuers and providing loans to eligible issuers to purchasing bonds as the sole investor in a bond issuance and purchasing portions of syndicated loans or bonds at issuance.

Primary Market Corporate Credit Facility: *Terms and Conditions*

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Issuer Eligibility Requirements	➢ U.S. Business (*See* Defined Terms Appendix for definition) ➢ Not an insured depository institution or depository institution holding company (as defined in the Dodd-Frank Act) ➢ Has not received specific support under the CARES Act or any subsequent federal legislation
Certification of Eligibility	Issuers will be required to certify their eligibility. The requirements and process for certification are still in process.

Issuer Rating	➢ Rated at least BBB-/Baa3 as of March 22, 2020 by a Major NRSRO
	    ➢ If rated by multiple Major NRSROs, must achieve this rating by at least two NRSROs[1]
	➢ If downgraded since March 22, 2020, must be rated at least BB-/Ba3 at the time PMCCF makes a purchase
	    ➢ If rated by multiple Major NRSROs, must achieve this rating by at least two NRSROs[1]
	➢ Ratings are subject to review by the Federal Reserve.

Conflicts of Interest	None of the President, Vice President, head of Executive Department, Member of Congress (*See* Defined Terms Appendix for definition) or immediate family member of these persons holds a controlling interest in the issuer. CARES Act § 4019(b).
Eligible Assets	Maturity of four years or less, issued by eligible issuer and sold by eligible issuer **Corporate Bonds**: Eligible fixed-rate corporate bonds where PMCCF is the sole investor in a bond issuance **Syndicated Loans or Bonds**: Portions of syndicated loans or fixed-rate bonds of eligible issuers at issuance ➢ PMCCF may purchase no more than 25% of any loan syndication or bond issuance. ➢ PMCCF will expect that any debt priced off of LIBOR would include adequate fallback language.

1 We assume that the rating must be achieved by at least two "major" NRSROs, even though "major" is not included before the second use of NRSRO in the term sheet.

Primary Market Corporate Credit Facility: *Terms and Conditions*

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Excluded Assets	➢ Investment-grade senior secured bonds issued by an issuer that is not rated at least investment grade as of March 22, 2020, and at least BB-/Ba3 at the time of purchase ➢ If PMCCF is the sole participant in the offering, floating-rate debt
Limits per Issuer	**Each Issuer**: No more than 1.5% of the potential size of PMCCF and SMCCF **Additional Debt**: Issuer may issue additional debt, if its rating is reaffirmed at BB-/Ba3 or above with the additional debt by each Major NRSRO with a rating of the issuer. **Bonds and Loans**: Maximum amount of outstanding bonds or loans may not exceed 130% of the issuer's maximum outstanding bonds and loans on any day between March 22, 2019 and March 22, 2020.
Use of Proceeds	May be used to refinance existing bonds and issue new bonds **Refinancing Existing Debt**: May refinance outstanding debt up to three months ahead of the maturity date of such outstanding debt
Facility Fee	100 bps for each issuance at closing (on PMCCF's share of syndication for syndicated bonds and loans)
Pricing	**Corporate Bonds**: Issuer-specific, informed by market conditions **Syndicated Bonds and Loans**: Same pricing as other syndicate members
Termination	➢ September 30, 2020 (unless the Federal Reserve and Treasury extend PMCCF) ➢ FRBNY will continue to fund the SPV until the SPV's assets have matured or are sold.

Secondary Market Corporate Credit Facility: *Terms and Conditions*

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Facility Overview	➢ FRBNY will lend to an SPV that will purchase eligible bonds and eligible corporate bond portfolios in the form of ETFs from eligible sellers, including primary dealers. ➢ A list of primary dealers is available here. ➢ FRBNY retained BlackRock Financial Markets Advisory as investment manager. ➢ The term sheet and frequently asked questions are available here.
Similar Facility Provided in 2008/2009?	No
Facility Size	Up to $750B (when combined with PMCCF)
Treasury Allocation	$25B equity investment in the SPV SMCCF will leverage Treasury's equity. ➢ **Corporate bonds from investment-grade issuers and ETFs whose primary investment objective is exposure to U.S. investment-grade corporate bonds**: 10 to 1 ➢ **Corporate bonds below investment grade**: 7 to 1 ➢ **Other eligible assets**: Between 3 to 1 and 7 to 1, depending on risk.
Announcement Date	March 23, 2020 (term sheet published)
Term Sheet Amendments	Updated April 9, 2020, including by increasing Treasury's equity investment (from $10B to $25B) and by making substantial revisions to program requirements, including issuer eligibility and ratings criteria, eligible assets, facility leverage, issuer limits and other requirements.

Secondary Market Corporate Credit Facility: *Terms and Conditions*

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Eligible Seller	➢ U.S. Business (*See* Defined Terms Appendix for definition) ➢ SMCCF will begin by transacting with primary dealers that meet the other eligibility criteria. ➢ The Federal Reserve has said it will add additional counterparties as eligible sellers, subject to adequate due diligence and compliance work.

Issuer of Corporate Bonds Eligibility Requirements	➢ U.S. Businesses (*See* Defined Terms Appendix for definition)
	➢ Rated at least BBB-/Baa3 as of March 22, 2020 by a Major NRSRO
	    ➢ If rated by multiple Major NRSROs, must achieve this rating by at least two NRSROs[2]
	➢ If downgraded since March 22, 2020, must be rated at least BB-/Ba3 at the time SMCCF makes a purchase
	    ➢ If rated by multiple Major NRSROs, must achieve this rating by at least two NRSROs[1]
	➢ Not an insured depository institution or depository institution holding company (as defined in the Dodd-Frank Act).
	➢ Has not received specific support under the CARES Act or any subsequent federal legislation.

Certification of Eligibility	Issuers and sellers will be required to certify their eligibility. The requirements and process for certification are still in process.
Conflicts of Interest	Sellers and issuers must certify that none of the President, Vice President, head of Executive Department, Member of Congress (*See* Defined Terms Appendix for definition) or immediate family member of these persons holds a controlling interest in the seller or issuer, as applicable. CARES Act § 4019(b).

2 We assume that the rating must be achieved by at least two "major" NRSROs, even though "major" is not included before the second use of NRSRO in the term sheet.

Secondary Market Corporate Credit Facility: *Terms and Conditions*

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Eligible Assets	➢ **Corporate Bonds**: Remaining maturity of five years or less, issued by eligible issuer and sold by eligible seller ➢ **ETFs**: U.S.-listed ETFs with investment objective to provide broad exposure to the market for U.S. corporate bonds ➢ Preponderance of ETFs with investment objective of exposure to investment-grade corporate bonds and the remaining percentage investment objective of exposure to U.S. high-yield corporate bonds.
Excluded Assets	Non-U.S. dollar-denominated corporate bonds
Limits per Issuer/ETF	**Each Issuer**: No more than 1.5% of the combined potential size of SMCCF and PMCCF **Bonds**: No more than 10% of the issuer's maximum bonds outstanding on any day between March 22, 2019 and March 22, 2020 **ETFs**: No more than 20% of that ETF's outstanding shares
Pricing	➢ Fair market value in the secondary market ➢ If ETFs trade at prices that materially exceed the estimated net asset value of the underlying portfolio, SMCCF will avoid purchase
Termination	➢ September 30, 2020 (unless the Federal Reserve and Treasury extend SMCCF) ➢ FRBNY will continue to fund the SPV until the SPV's assets have matured or are sold.

Municipal Liquidity Facility: *Terms and Conditions*

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Facility Overview	➢ FRBNY will lend to an SPV that will purchase newly issued eligible notes directly from eligible issuers (states, cities, counties and Multi-State Entities). ➢ FRBNY retained PFM Financial Advisors LLC as administrative agent. ➢ The term sheet, frequently asked questions and list of eligible issuers (Appendix A of the frequently asked questions) are available here.
Similar Facility Provided in 2008/2009?	No
Facility Size	Up to $500B
Treasury Allocation	$35B equity investment in the SPV
Announcement Date	April 9, 2020 (term sheet published)
Term Sheet Amendments	Updated April 27, 2020, including by lowering eligible issuer population thresholds, adding Multi-State Entities as eligible issuers, incorporating ratings criteria, permitting more than one issuer per state, city or county, extending maturity of eligible notes from 24 months to 36 months, adding security requirements, revising financial terms and moving the termination date from September 30, 2020 to December 31, 2020. ➢ FRBNY was announced as the Federal Reserve Bank administering MLF.

Municipal Liquidity Facility: *Terms and Conditions*

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Eligible Issuers	➢ U.S. states and the District of Columbia ➢ U.S. cities with a population exceeding 250,000 residents ➢ U.S. counties with a population exceeding 500,000 residents ➢ Multi-State Entities ➢ An entity that issues securities on behalf of a state, city or county for purpose of managing its cash flows, subject to Federal Reserve review and approval
Eligible Issuer Limits	Only one issuer per state, city, county or Multi-State Entity is eligible *Note*: The Federal Reserve may approve one or more additional issuers per state, city or county to facilitate the provision of assistance or political subdivisions and other governmental entities of the relevant state, city or county.

Eligible Issuer Rating	➢ **States, cities and counties**: Rated at least BBB-/Baa3 as of April 8, 2020, by two or more Major NRSROs
	    ➢ If downgraded since April 8, 2020, must be rated at least BB-/Ba3 by two or more Major NRSROs at the time MLF makes a purchase
	➢ **Multi-State Entities**: Rated at least A-/A3 as of April 8, 2020, by two or more Major NRSROs
	    ➢ If downgraded since April 8, 2020, must be rated at least BBB-/Baa3 by two or more Major NRSROs at the time MLF makes a purchase

Pricing	Based on an eligible issuer's rating at the time of purchase with details to be issued at a later time
Origination Fee	10 bps of the principal amount of the eligible issuer's notes purchased by the SPV at the time of issuance
Prepayment Right	➢ Permitted without penalty with approval of the Federal Reserve ➢ Prepaid at par

Municipal Liquidity Facility: *Terms and Conditions*

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Eligible Notes	➢ Tax anticipation notes ("TANs"), tax and revenue anticipation notes ("TRANs"), bond anticipation notes ("BANs") and other similar short-term notes ➢ MLF will only purchase newly issued TANs, TRANs, BANs or other similar newly issued notes. ➢ Maturity no later than 36 months from the date of issuance ➢ Subject to review by the Federal Reserve *Note*: Relevant legal opinions and disclosures will be required as determined by the Federal Reserve prior to purchase.
Excluded Notes	➢ Outstanding TANs, TRANs and BANs ➢ MLF will not purchase notes in the secondary market.
Security for Eligible Notes	➢ **States, cities and counties**: Expected to represent general obligations of the issuer, or be backed by tax or other specified government revenues of the applicable state, county or city ➢ **Authority, agency or entity of state, city or county**: Must either (i) commit the credit of, or pledge the revenues of, the state, city or county, or (ii) the state, city or county must guarantee the eligible notes of such issuer ➢ **Multi-State Entities**: Expected to be parity obligations of existing debt secured by a senior lien on the entity's gross or net revenues ➢ Source of repayment and security for eligible notes depend on the applicable constitutional and statutory provisions governing the issuer and should be generally consistent with the source of repayment and strongest security typically pledged to repay public offered obligations of the issuer ➢ Subject to review and approval by the Federal Reserve

Municipal Liquidity Facility:
Terms and Conditions

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Use of Proceeds	➢ Manage the cash flow impact of income tax deferrals resulting from an extension of an income tax filing deadline ➢ Manage the cash flow impact of deferrals or reductions of tax and other revenues or increases in expenses related to or resulting from the COVID-19 pandemic ➢ Pay principal and interest on obligations of the eligible issuer or its political subdivisions or other governmental entities ➢ Assist or purchase notes from political subdivisions and instrumentalities of the relevant state, city or county for the purposes above (Multi-State Entities may not use proceeds in this manner)
Eligible Note Limits per State, City and County	➢ Not more than 20% of the general revenue from own sources and utility revenue of the applicable state, city or county government for fiscal year 2017 in or more issuances ➢ Not more than 20% of the Multi-State Entity's gross revenue as reported in its audited financial statements for fiscal year 2019 in one or more issuances *Note*: States may request that the SPV purchase eligible notes in excess of the applicable limit in order to assist political subdivisions and other governmental entities that are not eligible for MLF.
Public Disclosure	The Federal Reserve will report balance sheet items related to the SPV and MLF weekly, on an aggregated basis.
Termination	➢ December 31, 2020 (unless the Federal Reserve and Treasury extend MLF) ➢ FRBNY will continue to fund the SPV until the SPV's assets have matured or are sold.

Paycheck Protection Program Liquidity Facility: *Terms and Conditions*

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Facility Overview	➢ Federal Reserve Banks will lend to eligible financial institutions, on a non-recourse basis, taking their PPP loans as collateral. ➢ The term sheet, frequently asked questions and agreements are available here.
Similar Facility Provided in 2008/2009?	No
Announcement Date	April 9, 2020 (term sheet published)
Term Sheet Amendments	Updated April 30, 2020, including by adding additional eligible borrowers and expanding the collateral that can be pledged.
Launch Date	April 16, 2020
Borrower Eligibility	All lenders that are eligible to originate PPP loans, including depository and non-depository institutions (*See* Appendix for the Federal Reserve Bank at which an eligible borrower can apply)
Eligible Collateral	PPP loans that the borrower has originated or purchased
Excluded Collateral	Borrowers can only pledge PPP loans that have not been pledged to another party, unless the borrower obtains consent of the lending Federal Reserve Bank; there can be no other claims on the PPP loan.
Rate	35 bps Interest accrues daily beginning when the PPPLF advance is credited to the PPPLF lender's designated account at a Federal Reserve Bank. Interest accrues daily until the PPPLF advance is fully repaid.
Collateral Valuation	Principal amount of the PPP loan

Paycheck Protection Program Lending Facility: *Terms and Conditions*

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Maturity	➢ The maturity date of the PPP loan pledged to secure the extension of credit ➢ The Federal Reserve Bank will make a single extension of credit to a PPPLF borrower secured by all PPP loans submitted that mature on a single date. ➢ Borrowers should ensure that they simultaneously pledge all PPP loans with the same maturity date.
Acceleration of Maturity	➢ The underlying PPP loan goes into default and the borrower sells the PPP loan to the SBA to realize the guarantee. ➢ If the borrower receives reimbursement from the SBA for any loan forgiveness amounts (to the extent of the amount of the PPP loan forgiven). ➢ The borrower has misrepresented the underlying PPP loan or otherwise commits an Event of Default under the PPPLF documentation.
Voluntary Prepayment	➢ Permitted without penalty ➢ Includes accrued interest *Note*: Voluntary prepayments must be accompanied by withdrawals of the pledged collateral securing the borrower's loan from PPPLF. The prepayment amount must equal the total balance of the withdrawn loans that were pledged as collateral.
Mandatory Prepayment	➢ Lenders are required to prepay a PPPLF advance upon receiving any payments on PPP loans pledged as collateral for the advance. The amount of any PPPLF advance outstanding cannot exceed the outstanding amount of PPP loans pledged to secure the advance. ➢ Lenders are required to prepay PPPLF advances to match the updated aggregate collateral balance in the associated pledge pool, so that the amount of a PPPLF advance outstanding never exceeds the aggregate amount of PPPLF collateral pledged to secure the advance.

Paycheck Protection Program Lending Facility: *Terms and Conditions*

Regulatory Capital Treatment	Banking organizations can exclude PPP loans pledged as collateral to PPPLF from, as applicable: ➢ Total leverage exposure and average total consolidated assets, and ➢ Risk-weighted assets. A PPP loan (regardless of whether it is pledged to the PPPLF) will be assigned a risk weight of 0%.
Limits on PPPLF Loans	Borrowers may request more than one loan under PPPLF.
Fees	None
Termination	September 30, 2020 (unless the Federal Reserve and Treasury extend PPPLF)

Main Street Lending Program: *Terms and Conditions*

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Facility Overview	➢ FRBB will lend to an SPV that will purchase participations in (i) new loans originated by eligible lenders under the Main Street New Loan Facility ("MSNLF") and under the Main Street Priority Loan Facility ("MSPLF") and (ii) increases of existing loans by eligible lenders under the Main Street Expanded Loan Facility ("MSELF"), in each case for small and mid-size businesses. ➢ The term sheets and frequently asked questions for MSNLF, MSPLF and MSELF are available here.
Similar Facility Provided in 2008/2009?	No
Facility Size	Up to $600B
Treasury Allocation	$75B equity investment in the SPV
Announcement Date	**MSELF and MSNLF**: April 9, 2020 (term sheet published) **MSPLF**: April 30, 2020 (term sheet published)
Term Sheet Amendments	Updated April 30, 2020, including by making substantial revisions to program requirements, including creating a third loan option (with increased risk sharing by lenders for borrowers with greater leverage), lowering the minimum loan size for certain loans to $500,000, expanding the pool of eligible borrowers (including businesses with up to 15,000 employees or up to $5 billion in annual revenue), among other changes.
Launch Date	To be determined

Main Street Lending Program: *Terms and Conditions*

Debevoise & Plimpton

Eligible Lenders	➢ U.S. federally insured depository institution, including a bank, savings association or credit union ➢ U.S. branch or agency of a foreign bank ➢ U.S. bank holding company ➢ U.S. savings and loan holding company ➢ U.S. intermediate holding company of a foreign banking organization ➢ U.S. subsidiary of any of the above ➢ Nonbank financial institutions are not eligible lenders; however, the Federal Reserve is considering options to expand the list of eligible lenders in the future. *Note*: For MSELF, if the underlying loan is part of a multi-lender facility, only the eligible lender for MSELF is required to meet this criteria; other members of the multi-lender facility are not required to be eligible lenders.

Main Street Lending Program: *Terms and Conditions*

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Borrower Eligibility	➢ U.S. Business (*See* Defined Terms Appendix for definition) established prior to March 13, 2020
	    ➢ The business must be an entity that is organized for profit as a partnership, limited liability company, corporation, association, trust, cooperative, tribal business concern (*See* Defined Terms Appendix for definition) or joint venture with no more than 49% participation by foreign business entities.
	    ➢ Other forms of organization may be considered for inclusion under Main Street Facilities at the discretion of the Federal Reserve.
	    ➢ Non-profit organizations are not eligible to borrow under Main Street Facilities, but the Federal Reserve and Treasury say they will evaluate adjusting the program for these borrowers.
	➢ Not an Ineligible Business (*See* Defined Terms Appendix for definition)
	➢ Up to 15,000 employees or up to $5B in 2019 annual revenues (*See* Appendix for calculation)
	➢ Has not received specific support pursuant to sections 4003(b)(1)-(3) of the CARES Act
	➢ Does not participate in certain other facilities (*See* discussion below of Borrower Limits*)*
	➢ Must be in sound financial condition prior to the onset of the COVID-19 pandemic
	Note: A business satisfying these criteria is permitted to borrow under Main Street Facilities even if it, or an affiliate, has received PPP loans.

Main Street Lending Program: *Terms and Conditions*

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Eligible Loan Priority and Security	Made by an eligible lender to an eligible borrower **MSNLF**: A secured or unsecured term loan that was originated after April 24, 2020 ➢ At the time of origination or at any time during the term of the loan, the loan is not contractually subordinated in priority to any of the borrower's other loans or debt instruments. **MSPLF**: A secured or unsecured term loan that was originated after April 24, 2020 ➢ At the time of origination and at all times the loan is outstanding, the loan is senior to or *pari passu* with (in terms of priority and security) the borrower's other loans or debt instruments (other than mortgage debt). **MSELF**: A secured or unsecured term loan or revolving credit facility that was originated on or before April 24, 2020, and has a remaining maturity of at least 18 months (taking into account any adjustments made to the maturity of the loan after April 24, 2020, including at the time of upsizing), provided the upsized tranche is a term loan ➢ At the time of upsizing, and at all times the upsized tranche is outstanding, the upsized tranche is senior to or *pari passu* with (in terms of priority and security) the borrower's other loans or debt instruments (other than mortgage debt).
Loan Amount	**MSNLF and MSPLF Minimum**: $500,000 **MSELF Minimum:** $10M **MSNLF Maximum**: The lesser of (i) $25M or (ii) an amount that, when added to the borrower's existing outstanding and undrawn available debt, does not exceed 4x adjusted 2019 EBITDA **MSPLF Maximum**: The lesser of (i) $25M or (ii) an amount that, when added to the borrower's existing outstanding and undrawn available debt, does not exceed 6x adjusted 2019 EBITDA **MSELF Maximum**: The lesser of (i) $200M, (ii) 35% of the borrower's existing outstanding and undrawn available debt that is *pari passu* in priority with the loan and equivalent in secured status, or (iii) an amount that, when added to the borrower's existing outstanding and undrawn available debt, does not exceed 6x adjusted 2019 EBITDA

Main Street Lending Program: *Terms and Conditions*

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EBITDA Calculation	**MSNLF and MSPLF**: The methodology used to calculate adjusted 2019 EBITDA must be a methodology the lender previously used for adjusting EBITDA when extending credit to the borrower or to similarly situated borrowers on or before April 24, 2020. **MSELF**: The methodology used to calculate adjusted 2019 EBITDA must be the methodology the lender previously used for adjusting EBITDA when originating or amending the underlying loan on or before April 24, 2020.
Rate	Adjustable rate of LIBOR (1 or 3 month) + 300 bps
Amortization of Principal and Interest	Deferred for one year (unpaid interest will be capitalized) **MSNLF**: Years 2-4: 33.33% at end of each year **MSPLF and MSELF**: ➢ Years 2-3: 15%, at end of year ➢ Year 4: balloon payment of 70% at maturity
Maturity	4 years
Prepayment	Permitted without penalty
Loan Classification	**MSNLF and MSPLF**: If the borrower had other outstanding loans with the lender as of December 31, 2019, these loans must have had an internal risk rating (based on the lender's risk rating system) equivalent to a "pass" in the Federal Financial Institutions Examination Council's supervisory rating system on that date. **MSELF**: The loan must have had an internal risk rating (based on the lender's risk rating system) equivalent to a "pass" in the Federal Financial Institutions Examination Council's supervisory rating system as of December 31, 2019.

Main Street Lending Program: *Terms and Conditions*

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Assessment of Financial Condition	➢ Lenders are expected to conduct an assessment of each potential borrower's financial condition at the time of the potential borrower's application. ➢ Lenders will apply their own underwriting standards in evaluating the financial condition and creditworthiness of a potential borrower. ➢ Lenders may require additional information and documentation. *Note*: Businesses that otherwise meet the eligible borrower criteria may not be approved for a loan or receive the maximum allowable amount.
Collateral	**MSNLF and MSPLF**: May be secured or unsecured **MSELF**: Required to be secured only if the underlying loan is secured ➢ Any collateral securing the underlying loan (at the time of the upsizing or any subsequent date) must secure the upsized tranche on a pro rata basis. ➢ Lenders can require borrowers to pledge additional collateral to secure the MSELF upsized tranche as a condition of approval.
Loan Servicing Fee	25 bps per annum, paid by the SPV to the lender, of the principal amount of the SPV's participation in the loan or upsized tranche
Origination / Upsizing Fee	Lenders have discretion over whether and when to charge this fee. **MSNLF and MSPLF**: Borrower will pay lender up to 100 bps of the principal amount of the loan at the time of origination. **MSELF**: Borrower will pay lender up to 75 bps of the principal amount of the upsized tranche at the time of the upsizing.
Transaction Fee Paid to the SPV	Lender fee that may be passed to the borrower **MSNLF and MSPLF**: 100 bps of the principal amount of the loan **MSELF**: 75 bps of the principal amount of the upsized tranche of the loan

Main Street Lending Program:
Terms and Conditions

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Loan Participations	➢ The SPV and the lender will share the risk on a *pari passu* basis. ➢ The sale of a participation to the SPV must be structured as a "true sale" and must be completed expeditiously after the loan's origination or upsizing. ➢ Lender must retain its portion (15% or 5%) in the loan or upsized tranche until the earlier of the loan or upsized tranche maturing or the facility selling all of its participation. ➢ **MSELF**: If the underlying loan is part of a multi-lender facility, the eligible lender must be one of the lenders that holds an interest in the underlying loan at the date of the upsizing. The eligible lender must also retain its interest in the underlying loan until the earlier of the underlying loan maturing, the upsized tranche maturing or the SPV selling all of its participation. **MSNLF and MSELF**: SPV will purchase a 95% participation (the lender retains 5%) in the upsized tranche or loan, at par value. **MSPLF**: SPV will purchase a 85% participation (the lender retains 15%) in the loan, at par value.

Borrower Limits	➢ Borrowers may participate in only one of the Main Street Facilities and must not have received assistance under PMCCF.
	➢ Borrowers may receive more than one loan under a single Main Street Facility, provided that:
	    ➢ **MSNLF and MSPLF**: Cannot exceed $25M for a single borrower.
	    ➢ **MSELF**: Cannot exceed $200M for a single borrower.

Lender Limits	There is no limit on the amount of participations the SPV can purchase from a single lender.

Main Street Lending Program:
Terms and Conditions

Borrower Certifications and Covenants	➢ Will refrain from repaying the principal balance of, or paying any interest on, any debt until the loan or upsized tranche is repaid in full, unless the debt or interest payment is mandatory and due ➢ Will not seek to cancel or reduce any of its committed lines of credit with the eligible lender or any other lender ➢ Has a reasonable basis to believe that, as of the date of origination of the loan or upsized tranche and after giving effect to such loan or 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 ➢ Will follow compensation, stock repurchase and capital distribution restrictions under section 4003(c)(3)(A)(ii) of the CARES Act. (*See* the Appendix for a description of these requirements) ➢ Is eligible to participate in the facility, including in light of the conflicts of interest prohibition in section 4019(b) of the CARES Act, which provides that none of the President, Vice President, head of Executive Department, Member of Congress (*See* Defined Terms Appendix for definition) or immediate family member of these persons holds a controlling interest in the borrower
Borrower EBITDA	The Borrower must meet the applicable EBITDA leverage condition. (*See* "Loan Amount" row above)

Main Street Lending Program: *Terms and Conditions*

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Exceptions to Borrower Certifications and Covenants	➢ **MSPLF**: Borrower may, at the time of origination of the loan, refinance existing debt owed by the borrower to a lender that is not the Main Street Facilities lender.
	➢ An S-corporation or other tax pass-through entity borrower may make dividends or other capital distributions to the extent reasonably required to cover its owners' tax obligations in respect of the entity's earnings.
	➢ The covenants do not prohibit a borrower from:
	    ➢ Repaying a line of credit, including a credit card, in accordance with the borrower's normal course of business usage for the line of credit,
	    ➢ Taking on and paying additional debt obligations required in the normal course of business and on standard terms, provided that the debt is secured by newly acquired property and, apart from this security, is of equal or lower priority than the Main Street Facility loan or upsized tranche, or
	    ➢ Refinancing maturing debt.
	➢ Lenders would not be prevented from accepting regularly scheduled, periodic repayments on a line of credit from the borrower in accordance with the borrower's normal course of business usage for the line of credit.
	➢ Lenders are not prohibited from reducing or terminating uncommitted lines of credit, expiring existing lines of credit in accordance with their terms, or reducing availability under existing lines of credit in accordance with their terms due to changes in borrowing bases or reserves in asset-based or similar structures.

Main Street Lending Program: *Terms and Conditions*

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Lender Verification of Certifications and Covenants	➢ Lenders are expected to collect the borrower's certifications and covenants at the time of origination or upsizing of the loan. ➢ Lenders may rely on the borrower's certifications and covenants, as well as any subsequent self-reporting by the borrower. ➢ Lenders are not expected to independently verify the borrower's certifications or actively monitor ongoing compliance with the covenants required under the program. ➢ If a lender becomes aware that the borrower made a material misstatement or otherwise breached a covenant during the term of the Main Street Facility loan, the lender should notify FRBB.
Retaining Employees	➢ Borrowers should make "commercially reasonable efforts" to maintain their payroll and retain their employees while the loan or upsized tranche is outstanding. ➢ Specifically, borrowers should undertake "good-faith efforts" to maintain payroll and retain employees, in light of their capacities, the economic environment, available resources and the business need for labor. ➢ Borrowers that have already laid off or furloughed workers as a result of disruptions from COVID-19 are eligible to apply for loans under the Main Street Facilities.
Lender Certifications and Covenants	➢ Will not request that the borrower repay debt extended by the lender, or pay interest on such outstanding obligations, until the loan or upsized tranche is repaid in full, unless the debt or interest payment is mandatory and due, or in the case of default and acceleration ➢ Will not cancel or reduce any existing committed lines of credit to the borrower, except in an event of default ➢ Meets the applicable EBITDA methodology (*See* "EBITDA Calculation" row above) ➢ Is eligible to participate in the facility, including in light of the conflicts of interest prohibition in section 4019(b) of the CARES Act, which provides that none of the President, Vice President, head of Executive Department, Member of Congress (*See* Defined Terms Appendix for definition) or immediate family member of these persons holds a controlling interest in the lender

Main Street Lending Program: *Terms and Conditions*

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Regulatory Capital Treatment	➢ The lender's retained portion of the loan should be assigned a risk weight applicable to the counterparty of the loan, generally 100% risk weight for a corporate exposure under the standardized approach.
	➢ For lenders that are subject to the federal agencies' risk-based capital rules and leverage rules:
	    ➢ **MSPLF**: Exposure amount is 15% of the outstanding loan balance.
	    ➢ **MSNLF and MSELF**: Exposure amount is 5% of the outstanding loan balance.
	        ➢ **MSELF**: This treatment only applies to the outstanding upsized tranche balance; the underlying loan would be subject to the capital treatment that applied prior to the sale of the participation to MSELF.
	➢ Secured Main Street Facility loans are eligible for credit risk mitigation treatment in the standardized approach, provided that any collateral securing the loan is eligible financial collateral.
	➢ Lenders are not permitted to recognize collateral attributable to Main Street Facility's interest for purposes of the credit risk mitigation treatment under the capital rule.
	Note: Credit unions that participate in Main Street Facilities are subject to any capital requirements implemented by the National Credit Union Administration.

Public Disclosure	The Federal Reserve will report balance sheet items related to Main Street Facilities weekly, on an aggregated basis.
Termination	➢ September 30, 2020 (unless the Federal Reserve and Treasury extend Main Street Facilities) ➢ FRBB will continue to fund the SPV until the SPV's assets have matured or are sold.

Term Asset-Backed Securities Loan Facility: *Terms and Conditions*

Debevoise & Plimpton

Facility Overview	➢ FRBNY will lend to an SPV that will make loans, on a nonrecourse basis, to holders of certain AAA-rated ABS secured by newly and recently originated consumer and small business loans. ➢ The term sheet is available here.
Similar Facility Provided in 2008/2009?	Yes
Facility Size	Up to $100B in loans
Treasury Allocation	$10B equity investment in the SPV
Announcement Date	March 23, 2020 (term sheet published)
Term Sheet Amendments	Updated April 9, 2020, including by revising eligible borrower and eligible collateral requirements, requiring compliance with CARES Act conflict of interest provisions, adding a collateral haircut schedule (consistent with the 2008 TALF) and adjusting the reference rates used (removing LIBOR).
Borrower Eligibility	All U.S. Businesses (*See* Defined Terms Appendix for definition) that own eligible collateral and maintain an account with a primary dealer

Term Asset-Backed Securities Loan Facility: *Terms and Conditions*

Debevoise & Plimpton

Pricing	**CLOs**: 30-day average SOFR + 150 bps **SBA Pool Certificates**: top of the federal funds target range + 75 bps **SBA Development Company Participation Certificates**: three-year federal funds OIS rate + 75 bps **All other eligible ABS**: two-year OIS + 125 bps (if weighted average life < 2 years) and three-year OIS + 125 bps (if weighted average life ≥ 2 years)
Collateral Valuation	Subject to a 5%-22% haircut based on the weighted average life and sector/subsector
Maturity	Three years
Rating	➢ U.S. dollar-denominated cash (non-synthetic) ABS must have the highest long-term rating investment grade rating ➢ Non-mortgaged-backed ABS must have the highest short-term investment grade rating category ➢ Must be from at least two "eligible" NRSROs[4] ➢ Cannot have a credit rating below the highest investment grade category from any eligible NRSRO
Eligible Underlying Assets/Credit Exposures	➢ Underlying credit exposures must be auto loans and leases, student loans, credit card receivables, equipment loans and leases, floorplan loans, insurance premium finance loans, certain small business loans guaranteed by the SBA, leveraged loans or commercial mortgages (secured by real property located in the United States or one of its territories). ➢ All or substantially all of the underlying exposures must have been originated by a U.S. company, and the ABS issuer must be a U.S. company. ➢ ABS (other than CMBS) must be issued on or after March 23, 2020 ➢ Only static CLOs are eligible

4 Although the term sheet refers to "eligible" NRSROs, this presumably refers to Major NRSROs.

Term Asset-Backed Securities Loan Facility: *Terms and Conditions*

Debevoise & Plimpton

Excluded Underlying Assets/Credit Exposures	➢ Underlying exposures that include cash or synthetic ABS ➢ ABS with a credit rating below the highest investment-grade rating category ➢ CMBS issued on or after March 23, 2020 ➢ ABS that bear interest rate payments that step up or step down to predetermined levels on specific dates ➢ Single-asset single-borrower CMBS and commercial real estate CLOs ➢ Securitizations with an average weighted life of greater than 10 years
Prepayment	Permitted without penalty, but no substitution of collateral during term
Fee	10 bps of the loan amount on the settlement date for collateral
Conflicts of Interest	Borrowers and issuers must certify none of the President, Vice President, head of Executive Department, Member of Congress (*See* Defined Terms Appendix for definition) or immediate family member of these persons holds a controlling interest in the borrower or issuer, as applicable. CARES Act § 4019(b).
Termination	September 30, 2020 (unless the Federal Reserve and Treasury extend TALF)

Primary Dealer Credit Facility: *Terms and Conditions*

Debevoise & Plimpton

Facility Overview	➢ FRBNY will lend via reverse repurchase agreements, on a recourse basis, to FRBNY's primary dealers. ➢ A list of primary dealers is available here. ➢ Agreements supplement primary dealers' open-market documentation ➢ FRBNY retained Bank of New York Mellon as tri-party custodian and collateral agent. ➢ The term sheet and frequently asked questions are available here.
Similar Facility Provided in 2008/2009?	Yes
Maturity	Up to 90 days
Announcement Date	March 17, 2020 (term sheet published)
Launch Date	March 20, 2020

Eligible Collateral	➢ All collateral eligible for pledge in open market operations and U.S. Treasury STRIPS
	➢ Investment-grade corporate debt
	➢ International agency securities, commercial paper, municipal securities, mortgage-backed securities
	  ➢ Commercial paper must be rated A1/P1 or A2/P2.
	  ➢ Investment grade ABS, provided that CMBS, CLOs and collateralized debt obligations must be rated AAA.
	➢ Equity securities (excluding ETFs, unit investment trusts, mutual funds, rights and warrants)

Primary Dealer Credit Facility: *Terms and Conditions*

Debevoise & Plimpton

Excluded Assets	Obligations issued by the borrower or its affiliates; a firm may not pledge its own obligations to PDCF as collateral.
Pricing	Primary credit rate in effect at FRBNY offered to depository institutions via the discount window
Loan Size	Loans limited to the value of margin-adjusted eligible collateral
Collateral Valuation	The Bank of New York Mellon will value collateral according to a schedule designed to be similar to the margin schedule for lending by the discount window.
Facility Fee	Normal tri-party fees assessed by the Bank of New York Mellon will apply
Recourse	Loans are made with recourse beyond the collateral to the primary entity
Prepayments	Permitted without penalty
Termination	At least six months (or longer if conditions warrant)

Appendix: *Defined Terms*

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ABCP	Asset-backed commercial paper
ABS	Asset-backed securities
CLO	Collateralized loan obligations
CMBS	Commercial mortgaged-backed securities
EBITDA	Earnings before interest, tax, depreciation and amortization
ETF	Exchange-traded funds
FRBB	Federal Reserve Bank of Boston
FRBNY	Federal Reserve Bank of New York
Ineligible Business	➢ A business listed in 13 CFR 120.110(b)-(j) and (m)-(s), as modified by regulations implementing the Paycheck Protection Program on or before April 24, 2020, including the SBA's recent interim final rules. ➢ The application of these restrictions to Main Street Facilities may be further modified at the discretion of the Federal Reserve.
Major NRSRO	Currently, only S&P Global Ratings, Moody's Investor Service Inc. and Fitch Ratings, Inc. are considered "major" for purposes of these facilities and programs. The Federal Reserve is considering including other NRSROs as Major NRSROs under PMCCF, SMCCF and MLF (and perhaps for other purposes).
Member of Congress	A member of the Senate or House of Representatives, a Delegate to the House of Representatives and the Resident Commissioner from Puerto Rico
MMMF	Money market mutual funds

Appendix: *Defined Terms*

Debevoise & Plimpton

Multi-State Entity	An entity created by a Congressionally-approved compact between two or more states, acting pursuant to the Compact Clause of the U.S. Constitution
NCD	Negotiable certificates of deposit
NRSRO	Nationally recognized statistical rating organization
OIS	Overnight index swap
PPP loans	Paycheck Protection Program loans
SBA	Small Business Administration
SOFR	Secured overnight financing rate
SPV	Special purpose vehicle
Tribal business concern	A business that is (i) wholly-owned by one or more Indian tribal governments, or by a corporation that is wholly-owned by one or more Indian tribal governments, or (ii) owned in part by one or more Indian tribal governments, or by a corporation that is wholly-owned by one or more Indian tribal governments, if all other owners are either U.S. citizens or "businesses" described on slide 28
U.S. Business	Business that 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
VRDN	Variable rate demand notes
VRDO	Variable rate demand obligations

Appendix: *CARES Act Restrictions*

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- **<u>Repurchase Restrictions</u>**. During the life of the loan until one year after the loan is no longer outstanding, the borrower must agree not to repurchase any equity security that is listed on a national securities exchange of the borrower or any parent company of the borrower while the loan is outstanding, except as required by a contractual obligation in effect as of the date of enactment of the CARES Act.

- **<u>Dividend or Other Capital Distribution Restrictions</u>**. During the life of the loan until one year after the loan is no longer outstanding, the borrower must agree not to pay dividends or make other capital distributions with respect to its common stock.

- **<u>Compensation Restrictions</u>**. During the life of the loan until one year after the loan is no longer outstanding:
    - Total compensation for officers and employees who received more than $425,000 in 2019 will be limited for any 12-consecutive-month period to the total compensation received in 2019.
    - Any severance payable to those officers and employees may not exceed two times the maximum total compensation received in 2019.
    - Total compensation for any 12-month period for officers and employees who received more than $3,000,000 in 2019 will be capped at the sum of $3,000,000 plus 50 percent of total 2019 compensation in excess of $3,000,000.
    - "Total compensation" for these purposes means salary, bonus, awards of stock and other financial benefits the officer or employee received.

- **<u>Waiver</u>**. The Treasury Secretary may waive these restrictions if the Secretary makes a determination that a waiver is necessary to protect the interests of the federal government.
    - The Secretary must be available to testify before the Senate Banking Committee and House Financial Services Committee regarding the reasons for the waiver.

Appendix: *Preclusion from Participation in Other Facilities*

Main Street New Loan Facility	Borrowers under this facility may not participate in: ➢ Primary Market Corporate Credit Facility ➢ Main Street Expanded Loan Facility ➢ Main Street Priority Loan Facility Borrowers must not have received support pursuant to section 4003(b)(1)-(3) of the CARES Act. Borrowers may participate in this facility even if the borrower, or an affiliate, has received a PPP loan.
Main Street Expanded Loan Facility	Borrowers under this facility may not participate in: ➢ Primary Market Corporate Credit Facility ➢ Main Street New Loan Facility ➢ Main Street Priority Loan Facility Borrowers must not have received support pursuant to section 4003(b)(1)-(3) of the CARES Act. Borrowers may participate in this facility even if the borrower, or an affiliate, has received a PPP loan.
Main Street Priority Loan Facility	Borrowers under this facility may not participate in: ➢ Primary Market Corporate Credit Facility ➢ Main Street New Loan Facility ➢ Main Street Expanded Loan Facility Borrowers must not have received support pursuant to section 4003(b)(1)-(3) of the CARES Act. Borrowers may participate in this facility even if the borrower, or an affiliate, has received a PPP loan.
Primary Market Corporate Credit Facility	Issuers participating in this facility may not receive support pursuant to the CARES Act or any subsequent federal legislation.
Secondary Market Corporate Credit Facility	Issuers participating in this facility may not receive support pursuant to the CARES Act or any subsequent federal legislation.

Appendix: *Corporate and Municipal Debt Issuances*

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- As described above, the Federal Reserve may lend directly or purchase debt through repurchase agreements. The below highlights the facilities whereby a corporate or municipal entity issues debt bought by the applicable Federal Reserve Bank.
- **Newly Issued Obligations**. The applicable Federal Reserve Bank, through an SPV, will only purchase new debt issuances by their respective eligible issuers (directly or through intermediary financial institutions, such as primary dealers) under the following facilities:
  - Commercial Paper Funding Facility (however, an issuer can repurchase its own outstanding commercial paper and finance that repurchase by selling it to CPFF)
  - Main Street New Loan Program
  - Main Street Priority Loan Program
  - Main Street Extended Loan Facility (to the extent purchased obligation is a new tranche of existing debt)
  - Primary Market Corporate Credit Facility
  - Municipal Liquidity Facility
- **Legacy Obligations**. FRBNY, through an SPV, will only purchase legacy debt issuances by eligible issuers under the Secondary Market Corporate Credit Facility.

Appendix: *Employee and Revenue Calculation for Main Street Facilities*

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- **Employee Calculation**.
  - Employees. As described in the SBA's regulation 13 CFR 121.106, all full-time, part-time, seasonal or otherwise employed persons should be counted as employees.
    - Volunteers and independent contractors are excluded.
  - Affiliates. Businesses should count their own employees and those employed by their affiliates.
  - Calculation. The average of the total number of employees (including the borrower and its affiliates) for each pay period over the 12 months prior to the origination or upsizing of the Main Street Facilities loan.
- **Revenue Calculation**.
  - Affiliates. Businesses should aggregate their revenues with those of their affiliates.
  - Calculation. Business may use either of the following methods to calculate its 2019 annual revenue:
    - » Annual revenue per its 2019 Generally Accepted Accounting Principals-based audited financial statements, or
    - » Annual receipts for the fiscal year 2019, as reported to the Internal Revenue Service.
    - » For these purposes, the term "receipts" has the meaning used by the SBA in 13 CFR 121.104(a).
- **Affiliates**. Determination of borrower eligibility is subject to SBA's affiliation rules under 13 CFR 121.301(f).
  - A number of circumstances may establish affiliation, including: (i) ownership of a majority of voting equity, (ii) minority equity ownership with the ability to prevent a quorum or block board or shareholder action, (iii) control of the management of one or more entities (including through a management agreement) and (iv) an identity of interest between close relatives with identical or substantially identical business or economic interests.
  - For purposes of determining affiliation, stock options, convertible securities and agreements to merge are treated as if they have been exercised (unless the ability to exercise is based on an "extremely remote" contingency).

Appendix: *Lending Federal Reserve Bank under PPPLF*

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- Lenders can apply to PPPLF at the lending Federal Reserve Bank designated below.

Borrower	Federal Reserve Bank
Depository institution or credit union	The Federal Reserve Bank in whose district the eligible depository institution is located
Community development financial institutions as defined in 12 U.S.C. § 4702 and certified by Treasury (that is not a depository institution or credit union)	Federal Reserve Bank of Cleveland
Member of the Farm Credit System (that is not a depository institution or credit union)	Federal Reserve Bank of Minneapolis
Small business lending companies as defined in 13 CFR 120.10 (that is not a depository institution or credit union)	Federal Reserve Bank of Minneapolis
Other borrower type not listed above	Federal Reserve Bank of San Francisco

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