

Overview of CARES Act Main Street Lending Programs
as of April 9, 2020¹

	Main Street New Loan Facility ("MSNLF")	Main Street Expanded Loan Facility ("MSELF")
Purpose	Facilitate lending to small and medium-sized businesses by Eligible Lenders	
Program Size	\$600B in aggregate	
Program Structure	Fed will lend to a single common SPV on a recourse basis SPV will purchase a 95% participation in new Eligible Loans or upsized tranches of Eligible Loans from Eligible Lenders at par; eligible Lenders will retain 5% at par SPV and Eligible Lenders will share risk on <i>pari passu</i> basis Treasury will make \$75B equity investment in SPV	
Eligible Lenders	US insured depository institutions US bank holding companies US savings and loan holding companies	
Eligible Borrowers / Issuers	Businesses that were created or are organized in US or under laws of US with: (a) significant operations in US and (b) majority of employees based in US Having not more than: (i) 10,000 employees or (ii) \$2.5B in 2019 annual revenues	
Program Exclusions	Eligible Borrowers may participate in only one of MSNLF, MSELF and PMCCF	
Program Duration	September 30, 2020, unless extended by Fed and Treasury	
TERMS OF ELIGIBLE LOANS		
Type	Unsecured term loan made by Eligible Lender(s) to Eligible Borrower	Unsecured or secured term loan made by Eligible Lender(s) to Eligible Borrower <i>Any collateral securing an Eligible Loan will secure loan participation on pro rata basis</i>
Origination Date	Applies to new credit facilities entered into on or after April 8, 2020	Allows term loans to be added to credit facilities entered into before April 8, 2020
Maturity	4 years	
Amortization	Amortization of principal and interest deferred for one year	
Pricing	SOFR + 250-400 bps	
Min Loan Size	\$1M	

¹ Summaries are based on term sheets published by Fed on April 9, 2020.

	Main Street New Loan Facility ("MSNLF")	Main Street Expanded Loan Facility ("MSELF")
Max Loan Size	<p>Lesser of:</p> <ul style="list-style-type: none"> (i) \$25M and (ii) an amount that, when added to Eligible Borrower's existing outstanding and committed but undrawn debt, does not exceed 4.0x Eligible Borrower's 2019 EBITDA² 	<p>Lesser of:</p> <ul style="list-style-type: none"> (i) \$150M, (ii) 30% of Eligible Borrower's existing outstanding and committed but undrawn bank debt, and (iii) an amount that, when added to Eligible Borrower's existing outstanding and committed but undrawn debt, does not exceed 6.0x Eligible Borrower's 2019 EBITDA
Lender Reps / Covenants	<p>Eligible Lender must:</p> <ul style="list-style-type: none"> (i) Attest that proceeds of Eligible Loan will not be used to repay or refinance preexisting loans or lines of credit made by the Eligible Lender to the Eligible Borrower (including, in the case of upsized loans, the preexisting portion of the Eligible Loan) (ii) Attest that it will not cancel or reduce any existing lines of credit outstanding to the Eligible Borrower (iii) Certify that it is eligible to participate in the Main Street program, including in light of the conflicts of interest prohibition in section 4019(b) of the CARES Act (see Annex I below) 	
Borrower Reps / Covenants	<p>Eligible Borrower must:</p> <ul style="list-style-type: none"> (i) Commit to refrain from using the proceeds of the Eligible Loan to repay other loan balances (ii) Commit to refrain from repaying other debt of equal or lower priority, with the exception of mandatory principal payments, unless it has first repaid the Eligible Loan in full (iii) Attest that it will not seek to cancel or reduce any of its outstanding lines of credit with the Eligible Lender or any other lender (iv) Attest that it requires financing due to the exigent circumstances presented by the Covid-19 pandemic and that, using the proceeds of the Eligible Loan, it will make reasonable efforts to maintain its payroll and retain its employees during the term of the Eligible Loan (v) Attest that it meets the EBITDA leverage condition stated above (see Max Loan Size) (vi) Attest 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 (see Annex II below) (vii) Certify that it is eligible to participate in the Main Street program, including in light of the conflicts of interest prohibition in section 4019(b) of the CARES Act (see Annex I below) 	
Facility Fee	<p>100 bps on principal amount of participation purchased by SPV, payable by Eligible Lender to SPV</p> <p><i>Eligible Lender may require fee to be paid by Eligible Borrower</i></p>	None
Origination / Upsize Fee	<p>100 bps on principal amount of Eligible Loan (or upsized portion thereof), payable by Eligible Borrower to Eligible Lender</p>	

² EBITDA defined in Fed term sheets as earnings before interest, taxes, depreciation and amortization.

	Main Street New Loan Facility ("MSNLF")	Main Street Expanded Loan Facility ("MSELF")
Loan Servicing Fee	25 bps on principal amount of participation purchased by SPV, payable by SPV to Eligible Lender	

Annex I

Section 4019 of the CARES Act

(a) DEFINITIONS.—In this section:

(1) CONTROLLING INTEREST.—The term “controlling interest” means owning, controlling, or holding not less than 20 percent, by vote or value, of the outstanding amount of any class of equity interest in an entity.

(2) COVERED ENTITY.—The term “covered entity” means an entity in which a covered individual directly or indirectly holds a controlling interest. For the purpose of determining whether an entity is a covered entity, the securities owned, controlled, or held by 2 or more individuals who are related as described in paragraph (3)(B) shall be aggregated.

(3) COVERED INDIVIDUAL.—The term “covered individual” means— (A) the President, the Vice President, the head of an Executive department, or a Member of Congress; and (B) the spouse, child, son-in-law, or daughter-in-law, as determined under applicable common law, of an individual described in subparagraph (A).

(4) EXECUTIVE DEPARTMENT.—The term “Executive department” has the meaning given the term in section 101 of title 5, United States Code.

(5) MEMBER OF CONGRESS.—The term “member of Congress” means a member of the Senate or House of Representatives, a Delegate to the House of Representatives, and the Resident Commissioner from Puerto Rico.

(6) EQUITY INTEREST.—The term “equity interest” means— (A) a share in an entity, without regard to whether the share is— (i) transferable; or (ii) classified as stock or anything similar; (B) a capital or profit interest in a limited liability company or partnership; or (C) a warrant or right, other than a right to convert, to purchase, sell, or subscribe to a share or interest described in subparagraph (A) or (B), respectively.

(b) PROHIBITION.—Notwithstanding any other provision of this subtitle, no covered entity may be eligible for any transaction described in section 4003.

(c) REQUIREMENT.—The principal executive officer and the principal financial officer, or individuals performing similar functions, of an entity seeking to enter a transaction under section 4003 shall, before that transaction is approved, certify to the Secretary and the Board of Governors of the Federal Reserve System that the entity is eligible to engage in that transaction, including that the entity is not a covered entity.

Annex II

Section 4003(c)(3)(A)(ii) of the CARES Act

The Secretary may make a loan, loan guarantee, or other investment under subsection (b)(4) as part 11 of a program or facility that provides direct loans only if the applicable eligible businesses agree—

(I) until the date 12 months after the date on which the loan is no longer outstanding, not to repurchase an equity security that is listed on a national securities exchange of the eligible business or any parent company of the eligible business while the direct loan is outstanding, except to the extent required under a contractual obligation that is in effect as of March 27, 2020;

(II) until the date 12 months after the date on which the loan is no longer outstanding, not to pay dividends or make other capital distributions with respect to the common stock of the eligible business; and

(III) to comply with the limitations on compensation set forth in section 4004 (see below).

Section 4004 of the CARES Act

(a) IN GENERAL.—During the period beginning on the date on which the agreement is executed and ending on the date that is 1 year after the date on which the loan or loan guarantee is no longer outstanding—

(1) no officer or employee of the eligible business whose total compensation exceeded \$425,000 in calendar year 2019 (other than an employee whose compensation is determined through an existing collective bargaining agreement entered into prior to March 1, 2020)—

(A) will receive from the eligible business total compensation which exceeds, during any 12 consecutive months of such period, the total compensation received by the officer or employee from the eligible business in calendar year 2019; or

(B) will receive from the eligible business severance pay or other benefits upon termination of employment with the eligible business which exceeds twice the maximum total compensation received by the officer or employee from the eligible business in calendar year 2019; and

(2) no officer or employee of the eligible business whose total compensation exceeded \$3,000,000 in calendar year 2019 may receive during any 12 consecutive months of such period total compensation in excess of the sum of—

(A) \$3,000,000; and

(B) 50 percent of the excess over \$3,000,000 of the total compensation received by the officer or employee from the eligible business in calendar year 2019.

(b) TOTAL COMPENSATION DEFINED.—In this section, the term “total compensation” includes salary, bonuses, awards of stock, and other financial benefits provided by an eligible business to an officer or employee of the eligible business.