Summary of the Federal Reserve Main Street Lending Program

Updated as of May 4, 2020

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The following table summarizes the material terms of the Main Street Lending Program authorized under Section 13(3) of the Federal Reserve Act, as announced by the United States Treasury Department and Federal Reserve Bank and updated on April 30, 2020.

PROGRAM	MAIN STREET NEW LOAN FACILITY	MAIN STREET PRIORITY LOAN FACILITY	MAIN STREET EXPANDED LOAN FACILITY
Eligible Borrowers	• Business established prior to March 13, 2020. • Not more than 15,000 employees OR not more than $5 billion in 2019 annual revenues.[1,2,3] • Be a for-profit business organized in the U.S. and have significant operations and a majority of its employees in the U.S. • Majority U.S. owned. • Must not be an ineligible industry under SBA rules.[4] • Can only participate in one of the loan facilities offered under the Main Street Lending Program.[5] • Cannot also participate in the Primary Market Corporate Credit Facility. • Did not receive a direct loan for the airline and defense industries from U.S. Department of Treasury under the CARES Act. • Any existing loan with the Main Street lender, as of Dec. 31, 2019, must have had a "pass" rating under Federal Financial Institutions Examinations Council risk rating system as of that date.		
Loan Structure	Newly originated term loan (originated after April 24, 2020).	Newly originated term loan (originated after April 24, 2020).	New term loan tranche to existing revolving or term loan (originated on or prior to April 24, 2020) with a remaining time to maturity of at least 18 months (the existing loan's maturity can be extended to meet the 18-month requirement).
Minimum Loan Amount	$500,000	$500,000	$10,000,000
Maximum Loan Amount[6]	$25,000,000	$25,000,000	$200,000,000
Financial Test/Restriction[7,8]	4x 2019 EBITDA	6x 2019 EBITDA	Lesser of (i) 35% of existing outstanding and committed. but undrawn bank debt that is pari passu to new tranche, and (ii) 6x 2019 EBITDA

[1] Employee and revenue tests will be on an aggregated basis with all affiliates as determined by the SBA in accordance with **13 CFR §301**(f).
[2] Employee count will be determined in accordance with SBA regulations in **13 CFR §121.106**.
[3] 2019 annual revenue may be determined from a borrower's 2019 GAAP-based audited financial statements, or its annual receipts as reported on its 2019 federal tax return. If 2019 audited financials or federal tax return it not yet available, the most recent audited financials or federal tax return may be used.
[4] Ineligible business are defined in **13 CFR §120.110**(b)-(j), (m)-(s), as modified for use in the Paycheck Protection Program on or before April 24, 2020.
[5] Eligible borrowers may participate in the Paycheck Protection Program.
[6] Program maximum. Actual loan amount will be limited by the applicable Financial Test/Restriction.
[7] EBITDA may be calculated on an "adjusted" basis utilizing the Main Street lender's existing formula with the borrower or its formula used for similarly situated borrowers (in each case as such formula existed prior to April 24, 2020).
[8] EBITDA-based leverage ratio will include all pre-existing debt balances and amount of undrawn credit available to the borrower (as of the loan application date) in addition to the proposed new loan amount, other than an undrawn commitment that (i) serves as a backup line for commercial paper issuance, (ii) is used to finance receivables or seasonal inventory, (iii) may not be drawn without providing additional collateral, or (iv) is no longer available due to a change in circumstances.

PROGRAM	MAIN STREET NEW LOAN FACILITY	MAIN STREET PRIORITY LOAN FACILITY	MAIN STREET EXPANDED LOAN FACILITY
Proceeds may be used to Refinance Existing Debt	No.	Yes, but only of debt not held by the Main Street lender.	No.
Term	4 years	4 years	4 years
Amortization	• 0% - First Year • 33.33% - Second Year • 33.33% - Third Year • 33.33% - Fourth Year • Principal payments due at the end of the stated year.	• 0% - First Year • 15% - Second Year • 15% - Third Year • 70% - Fourth Year • Principal payments due at the end of the stated year.	• 0% - First Year • 15% - Second Year • 15% - Third Year • 70% - Fourth Year • Principal payments due at the end of the stated year.
Interest Rate	LIBOR (1 or 3 mo.) + 3%	LIBOR (1 or 3 mo.) + 3%	LIBOR (1 or 3 mo.) + 3%
Facility Fee	• Up to 1% of loan amount • Lenders may pass on to the borrower an additional 1% fee owing to the government	• Up to 1% of loan amount • Lenders may pass on to the borrower an additional 1% fee owing to the government	• Up to 0.75% of loan amount • Lenders may pass on to the borrower an additional 0.75% fee owing to the government
Payment Deferral	Principal and interest deferred for 12 months (deferred interest will be capitalized).	Principal and interest deferred for 12 months (deferred interest will be capitalized).	Principal and interest deferred for 12 months (deferred interest will be capitalized).
Prepayment Penalty	None	None	None
Seniority Requirement	No, but may not be contractually subordinated to any other debt.	Senior to or pari passu (priority and security) with all other debt, other than mortgage debt.	Senior to or pari passu (priority and security) with all other debt, other than mortgage debt.
Collateral	Not required, but collateral may be provided.	Not required, but collateral may be provided.	Yes, if existing loan is secured. Any collateral securing the original loan will secure the new tranche on a pro rata basis.
Funding Deadline for Loans	Sept. 30, 2020	Sept. 30, 2020	Sept. 30, 2020
Application Window/Process	Not announced at this time.	Not announced at this time.	Not announced at this time.
Certification Requirements	Borrower must attest that it has a reasonable basis to believe it has the ability to meet its financial obligations for the 90 days following the loan and that it does not expect to file for bankruptcy protection during that period.[9]		

[9] Section 13(3) of the Federal Reserve Act also requires that borrowers be unable to secure adequate credit from other banking institutions. Federal regulations allow the Federal Reserve to evidence this requirement by or with "economic conditions in the market or markets intended to be addressed by the program or facility, a written certification from the person or from the chief executive officer or other authorized officer of the entity at the time the person or entity initially borrows under the program or facility, or other evidence from participants or other sources." The guidance issued on April 9, 2020 did not include a certification requirement that the borrower lacks adequate alternative financing sources, and it is unknown yet whether the Federal Reserve will add such a certification requirement or rely on its ability to ascertain this from general market conditions.

PROGRAM	MAIN STREET NEW LOAN FACILITY	MAIN STREET PRIORITY LOAN FACILITY	MAIN STREET EXPANDED LOAN FACILITY

Employment-Related Limitations/Requirements	• Borrower must make commercially reasonable efforts to maintain its payroll and retain its employees during the term of the loan.[10]
	• While the loan is outstanding and for 12 months thereafter, no employee whose total compensation[11] exceeded $425,000 in 2019 (other than compensation determined through an existing collective bargaining agreement entered into prior to March 1, 2020) may:
	  ○ Receive compensation that exceeds their 2019 compensation.
	  ○ Receive severance pay or other benefits upon termination of employment which exceeds twice the total compensation received by the employee in 2019.
	• While the loan is outstanding and for 12 months thereafter, any employee whose total compensation would exceed $3,000,000 under the above restriction cannot receive more than 50 percent of that compensation in excess of $3,000,000.		

Other Limitations on Borrowers	• No repurchases of publicly traded equity securities of the borrower or any parent company while the loan is outstanding, or for 12 months thereafter, except to the extent required under existing contractual obligations. • No dividends with respect to the common stock while the loan is outstanding, or for 12 months thereafter, except if the borrower is a pass-through entity for tax purposes to the extent necessary to allow its equity holders to satisfy their tax liabilities generated by the borrower. • No repayments of other loan balances, other than mandatory principal and interest payments, until the loan has been repaid in full (other than the limited exception under the Main Street Priority Loan Facility that permits the refinance of certain existing debt).[12] • Borrower may not seek to cancel or reduce any of its outstanding lines of credit with any lender.		

[10] The Federal Reserve has issued guidance that, in making “commercially reasonable efforts”, a borrower should undertake good-faith efforts to maintain payroll and retain employees in light of its capacities, the economic environment, its available resources and its business need for labor. The guidance also clarifies that borrowers that have already laid-off or furloughed employees may still be eligible to apply for a loan.

[11] Total compensation includes salary, bonuses, awards of stock, and “other financial benefits.”

[12] Repayments of lines of credit in the ordinary course will be permitted.