FAQ UPDATE

Main Street Business Lending Program

On June 15, 2020, the Federal Reserve announced that its Main Street Lending Program was open for lender registration. Once an eligible lender has registered to participate in the program, the eligible lender can begin making Main Street loans immediately. In addition, on June 8, 2020, the Federal Reserve announced certain changes to the Main Street Lending Program to increase participation by borrower and lenders.

As discussed in our previously published Alerts, the Main Street Lending Program was initially announced on April 9, 2020 and will make up to $600 billion available for loans to certain small and mid-sized businesses, utilizing funding from the Coronavirus Aid, Relief and Economic Security Act (CARES Act).

The recent changes to the Main Street Lending Program include:

- Lowering the minimum loan size for certain loans from $500,000 to $250,000;
- Increasing the maximum loan size for all facilities;
- Increasing the term of each loan facility from four years to five years; and
- Extending the repayment period for all loans by delaying principal payments for two years (rather than one) and relatedly adjusting the amortization schedules.

In addition, the Federal Reserve updated its "Frequently Asked Questions" document (**which can be found here**) to provide guidance on a number of different topics and fact-specific scenarios. Among other things, this document addresses the following:

- Both the CARES Act and the Main Street Lending Program require borrowers to have significant operations in, and a majority of their employees based in, the United States. The Federal Reserve clarified that, in determining whether a business meets these requirements, the business should be evaluated on a consolidated basis with all of their subsidiaries (though not their parent companies or sister affiliates).
- The Federal Reserve made clear that a U.S. subsidiary of a non-U.S. parent could be eligible for the Main Street Lending Program, if it meets the other eligibility requirements.

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FAQ: Main Street Business Lending Program

On June 8, 2020, the Federal Reserve announced certain changes to its Main Street Lending Program to increase participation by borrower and lenders. As discussed in our prior alerts, the Main Street Lending Program was initially announced on April 9, 2020 and will support direct lending to certain small and mid-sized businesses, utilizing funding from the Coronavirus Aid, Relief and Economic Security Act (CARES Act). (See our previous alert on the CARES Act's $454 billion appropriation in funding for Federal Reserve emergency lending programs here.)

Davis & Gilbert Corporate attorneys Justin Pollak, Matt Hanley and Keith Dominguez address key questions eligible borrowers may have regarding the Main Street Lending Program (including these changes and clarifications). If you have additional questions, please contact any of the authors or the D&G attorney with whom you have regular contact.

You are also encouraged to review the "Frequently Asked Questions" document published by the Federal Reserve, which can be found here and which provides additional detail regarding these programs and may address specific questions relating to your business that are not discussed in these FAQs.

On June 15, 2020, the Federal Reserve announced that the Main Street Lending Program was open for lender registration. Once an eligible lender has registered to participate in the program, the eligible lender can begin making Main Street loans immediately.

1. Q: What is the Main Street Lending Program?

A: The Main Street Lending Program will make up to $600 billion available for loans to eligible borrowers (described in Question 2). To do so, the Treasury Department will make a $75 billion equity investment in a special purpose vehicle (SPV), managed by the Federal Reserve. The SPV will support the following three lending facilities:

- New Loan Facility: Through the Main Street New Loan Facility (MSNLF), the SPV will purchase from eligible lenders (described in Question 3) 95 percent participations in new loans (i.e., loans originated after April 24, 2020) made to eligible borrowers;
- Expanded Loan Facility: Through the Main Street Expanded Loan Facility (MSELF), the SPV will purchase from eligible lenders 95 percent participations in new tranches of term loan debt (each, an upsized tranche)

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Interested businesses are encouraged to contact an eligible lender for more information on the application process.

added to existing loans (i.e., loans originated on or before April 24, 2020 that have a remaining maturity of at least 18 months); and

- Priority Loan Facility: Through the Main Street Priority Loan Facility (MSPLF), the SPV will purchase from eligible lenders 95 percent participations in new loans (i.e., loans originated after April 24, 2020) made to eligible borrowers.

The eligible lenders under the MSNLF, the MSELF and the MSPLF will retain 5 percent of each loan or upsized tranche, as applicable.

The term sheet for the MSNLF can be found here, the term sheet for the MSELF can be found here and the term sheet for the MSPLF can be found here.

2. Q: Who are eligible borrowers?

A: Eligible borrowers are businesses that:

- Were established prior to March 13, 2020;
- Together with their affiliates, either (a) have 15,000 employees or fewer or (b) had less than $5 billion in 2019 annual revenues; and
- Were 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.

See Question 4 for further detail on counting employees, Question 5 for further detail on calculating 2019 annual revenue, Question 6 for further detail on determining affiliation and Questions 7 and 8 for further detail on the U.S. domesticity requirements.

In addition to the above criteria:

- Ineligible Businesses: The Main Street Lending Program incorporates the Small Business Association's (SBA) rules on "ineligible businesses," which may disqualify, among other businesses, hedge funds, private equity firms and certain passive real estate businesses. A full list of "ineligible businesses" can be found here (see clauses (b) through (j) and (m) through (s) only).
- Limits on Participation in Other Programs: A business may participate in both the Main Street Lending Program and the PPP. However, a business may not participate in certain other CARES Act and Federal Reserve programs, which are described in further detail in Question 9.

The applicant business must also meet certain conditions discussed in Question 11.

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3. Q: Who are eligible lenders?

A: Eligible lenders include, among others, U.S. federally insured depository institutions (including banks, savings associations and credit unions) and U.S. branches or agencies of foreign banks.

If the eligible borrower is participating in the MSELF, the eligible lender must be one of the lenders that hold an interest in the underlying eligible loan at the date of upsizing. However, the eligible lender is not required to have been the same lender that originally extended the loan underlying an MSELF upsized tranche, as long as it purchased the interest in the loan before April 24, 2020.

4. Q: How should a business count employees for purposes of determining eligibility under the program?

A: To determine the applicable number of employees, businesses should count all full-time, part-time, seasonal or otherwise employed persons, excluding volunteers and independent contractors. In this calculation, a business must include not only its own employees, but also those of its affiliates.

To determine how many employees a business and its affiliates have, an applicant should:

- Use the average number of employees (including the employees of its domestic and foreign affiliates) based upon numbers of employees for each of the pay periods for the preceding completed 12 calendar months; and
- Follow the additional principals set out in the SBA regulations for calculating employees, which can be found here.

Based on these principals, the employees of a holding company will be aggregated with the parent company and all other subsidiaries when determining whether it qualifies as a small business. Similarly, a portfolio company of a private equity or venture fund may be affiliated with its sponsor or with other portfolio companies depending on the particular facts.

5. Q: How should a business determine its 2019 revenue for purposes of determining eligibility under the program?

A: To determine its 2019 annual revenues, businesses must aggregate their revenues with those of their affiliates. Businesses may use either of the following methods to calculate 2019 annual revenues for purposes of determining eligibility:

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- A business may use its (and its affiliates') annual "revenue" per its 2019 Generally Accepted Accounting Principles-based (GAAP) audited financial statements; or
- A business may use its (and its affiliates') annual receipts for the fiscal year 2019, as reported to the Internal Revenue Service.

If a business (or its affiliate) does not yet have audited financial statements or annual receipts for 2019, the business (or its affiliate) should use its most recent audited financial statements or annual receipts.

For purposes of this determination, "receipts" has the same meaning as set forth in Section 104(a) of the Small Business Act, which can be found here.

6. Q: What entities are a business's affiliates for purposes of the employee and revenue eligibility criteria?

A: For purposes of the Main Street Lending Program, two businesses are deemed affiliates if one of the businesses controls the other or if the two businesses are under common control. Exercising control is irrelevant, and the determining factor is whether the ability to control exists. There are a number of tests to determine control, including:

- Ownership: An individual or entity will be deemed to control a business if it has the power to control over 50 percent of the voting equity (for these purposes any options or other convertible securities will be treated as if they have been exercised). A minority equity owner will be deemed to control the business if it has the ability to prevent a quorum for a vote or otherwise block an action by the board of directors (or equivalent body) or the equity holders.
- Management: An individual or entity that controls the board of directors (or equivalent body) is deemed to control the business, resulting in the affiliation with other entities under common control. If an officer of a business controls one or more other businesses, those other businesses are considered under common control. Affiliation also arises where a single individual or entity controls the management of a business through a management agreement.
- Identity of Interest: An identity of interest exists where two close relatives (i.e., a spouse, parent, child or sibling) have substantially identical businesses or economic interests, such as when two such relatives operate in the same or similar industry in the same geographic area. In such a case, there is a presumption of affiliation between such businesses (though a business may provide evidence to rebut such presumption).

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The full affiliation test is set forth in 13 C.F.R. section 301(f), which can be found here.

Note that, under the CARES Act, Congress indicated that these rules are waived with respect to PPP loans for:

1. Businesses in the accommodation and food services industries with no more than 500 employees;
2. Franchises that are approved on the SBA Franchise Directory; and
3. Small businesses that receive financial assistance from a company licensed under the Small Business Investment Act.

The Federal Reserve has not indicated that those same waivers would apply to the Main Street Lending Program.

7. Q: How does the Federal Reserve determine whether the borrower has significant operations and a majority of its employees based in the United States?

A: In determining whether a business meets these requirements, the business should be evaluated on a consolidated basis together with its subsidiaries, but not its parent companies or sister affiliates. The Federal Reserve provides the following example: An eligible borrower has significant operations in the United States if, when consolidated with its subsidiaries, greater than 50% of the eligible borrower's (i) assets are located in the United States, (ii) annual net income is generated in the United States, (iii) annual net operating revenues are generated in the United States or (iv) annual consolidated operating expenses (excluding interest expense and any other expenses associated with debt service) are generated in the United States

Note that this methodology is different from the required method of determining whether the borrower meets the total employee threshold (15,000 or fewer employees, as described in Question 4 above) and the annual 2019 revenue threshold ($5 billion or less, as described in Question 5 above). For those tests, a business's employees and 2019 revenues will be calculated by aggregating the employees and 2019 revenues of the business itself with those of all of its affiliates (including parents companies and sister affiliates).

8. Q: Can a U.S. subsidiary of a non-U.S. parent be an eligible borrower?

A: Yes. A U.S. subsidiary of a non-U.S. parent may participate in the Main Street Lending Program provided the other criteria are met. However, an eligible borrower that is a subsidiary of a foreign company must use the proceeds of a Main Street loan only for the benefit of the eligible borrower, its consolidated U.S. subsidiaries, and other affiliates of the eligible borrower that are U.S. businesses (and not for the benefit of an eligible borrower's foreign parents, affiliates or subsidiaries).

9. Q: Can a business participate in both the Main Street Lending Program and the PPP? Can a business participate in the Main Street Lending Program and other CARES Act or Federal Reserve programs?

A: The Federal Reserve has stated that a business that has received PPP loans, or that has affiliates that have received PPP loans, is permitted to borrow under Main Street (provided the other criteria are met).

An eligible borrower may only participate in one of the Main Street Lending Program facilities (MSNLF, MSPLF or MSELF).

In addition, a business is not an eligible borrower if it:

- Participates in the Primary Market Corporate Credit Facility (PMCCF) (described in Question 19).
- Received specific support pursuant to Subtitle A of Title IV of the CARES Act, which provides aid to certain specified industries (such as air carriers and businesses critical to maintaining national security) (see our previous alert on the CARES Act here).

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10. Q: What are the terms of the loans?

A: Loans under the MSNLF and the MSPLF and the upsized tranches of loans under the MSELF will have the following terms and conditions:

Term	Main Street New Loan Facility	Main Street Priority Loan Facility	Main Street Expanded Loan Facility
General	An eligible loan under the MSNLF is a loan originated after April 24, 2020	An eligible loan under the MSPLF is originated after April 24, 2020	An eligible loan (that may be subject to upsizing under the MSELF) must have been originated on or before April 24, 2020 and have 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)
Maturity	5 year maturity		
Deferral of Payments	Principal payments deferred for two years and interest payments deferred for one year (unpaid interest will be capitalized)		
Amortization	Principal amortization of 15% at the end of the third year, 15% at the end of the fourth year and 70% at maturity at the end of the fifth year		
Interest Rate	Adjustable interest rate equal to the London Inter-bank Offered Rate (LIBOR) (1 or 3 month) plus 300 basis points		
Minimum Loan Size	$250,000		$10 million

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Term	Main Street New Loan Facility	Main Street Priority Loan Facility	Main Street Expanded Loan Facility
Maximum Loan Size	1. The lesser of $35 million; or 2. An amount that, when added to the eligible borrower's existing outstanding and undrawn available debt, does not exceed four times the eligible borrower's adjusted 2019 earnings before interest, taxes, depreciation and amortization (EBITDA)	1. The lesser of $50 million; or 2. An amount that, when added to the eligible borrower's existing outstanding and undrawn available debt, does not exceed six times the eligible borrower's adjusted 2019 EBITDA	1. The lower of $300 million; or 2. An amount that, when added to the eligible borrower's existing outstanding and undrawn available debt, does not exceed six times the eligible borrower's adjusted 2019 EBITDA
Loan Seniority	Is not, at the time of origination or at any time during its term, contractually subordinated in terms of priority to any of the eligible borrower's other loans or debt instruments	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 eligible borrower's other loans or debt instruments, other than mortgage debt	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 eligible borrower's other loans or debt instruments, other than mortgage debt
Prepayment	Prepayment permitted without penalty		
Collateral	May be secured or unsecured		Any collateral securing the loan, whether such collateral was pledged under the original terms of the loan or at the time of upsizing, will secure the loan participation on a pro rata basis

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The Federal Reserve has stated that eligible lenders are to apply their own underwriting standards in evaluating the financial condition and creditworthiness of a potential borrower and to make the ultimate decision as to whether an eligible borrower is approved for a loan and the amount of the loan.

11. Q: What are the conditions to the loans?

A: Eligible borrowers will be subject to the following conditions in connection with a new loan under the MSNLF or the MSPLF or an upsized tranche of a loan under the MSELF:

Priority of Payments

The eligible borrower must commit to refrain from repaying the principal balance of, or paying any interest on, any other debt until the loan or the upsized tranche of the loan (as the case may be) is repaid in full, unless the other debt or interest payment is mandatory and due. However, eligible borrowers under the MSPLF may, at the time of the origination of the loan, refinance existing debt owed by the eligible borrower to a lender that is not the eligible lender.

Maintenance of Existing Loans and Lines of Credit

The eligible borrower must commit that it will not seek to cancel or reduce any of its committed lines of credit with the eligible lender or any other lender.

The Federal Reserve has clarified that the above two restrictions would not prohibit an eligible borrower from:

- Repaying a line of credit (including a credit card) in accordance with the eligible borrower's normal course of business usage for such line of credit;
- Taking on and paying additional debt obligations required in the normal course of business and on standard terms, including inventory and equipment financing, provided that such debt is secured by newly acquired property (*e.g.*, inventory or equipment), and, apart from such security, is of equal or lower priority than the MSNLF Loan, the MSPLF Loan or the MSELF upsized tranche; or
- Refinancing maturing debt.

Financial Stability

The eligible borrower must certify that it has a reasonable basis to believe that, as of the date of the origination or upsizing of the loan and after giving effect to such loan, it has the ability to meet its financial obligations for at least the next 90 days and does not expect to file for bankruptcy during that time period.

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Commercially Reasonable Efforts to Retain Employees
During the term of the loan or the upsized tranche of the loan (as the case may be), the eligible borrower should make commercially reasonable efforts to retain employees, which means that an eligible borrower should undertake good-faith efforts to maintain payroll and retain employees, in light of its capacities, the economic environment, its available resources and the business need for labor.

For clarity, borrowers that have already laid-off or furloughed workers as a result of the disruptions from COVID-19 are eligible to apply for Main Street Lending Program loans.

Compensation, Stock Repurchase and Capital Distribution Restrictions
The eligible borrower must commit that it will follow the following restrictions on compensation, stock repurchase and capital distribution, which apply during the period the loan or the upsized tranche of the loan (as the case may be) is outstanding and for 12 months thereafter:

- Stock Buybacks: Neither the eligible borrower nor any affiliate of the eligible borrower may purchase any publicly-listed equity securities of the eligible borrower or its parent, except to the extent required under a contractual obligation that is in effect as of the date of enactment of the CARES Act.

- Dividends and Capital Distributions: The eligible borrower may not pay dividends or make other capital distributions with respect to its common stock, except that an S corporation or other tax pass-through entity that is an eligible borrower may make distributions to the extent reasonably required to cover its owners' tax obligations in respect of the entity's earnings.

- Compensation Increases and Severance: No officer or employee of the eligible borrower whose total compensation (including salary, bonuses, awards of stock and other financial benefits) exceeded $425,000 in the 2019 calendar year will receive:

  - Total compensation during any 12 month period that exceeds his or her total compensation in the 2019 calendar year; or

  - Severance pay (or other benefits upon termination of employment) that exceeds twice the maximum total compensation received by such officer or employee in the 2019 calendar year.

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>> Other Compensation: No officer or employee of the eligible borrower whose total compensation exceeded $3 million in the 2019 calendar year will receive, during any 12 month period, total compensation in excess of the sum of:

- $3 million; and
- 50 percent of the excess over $3 million of their total compensation in the 2019 calendar year.

The Secretary of the Treasury is authorized to waive these restrictions if the waiver is necessary to protect the interests of the Federal Government.

Certification as to Eligibility
Eligible borrowers will be required to certify that they are eligible to participate in the facility, including in light of the conflicts of interest prohibition in section 4019(b) of the CARES Act, which prohibits businesses owned directly or indirectly by the President, senior executive branch officials or members of congress (and certain family members) from receiving funds under the CARES Act.

Financial Standing and Additional Standards
The Main Street Lending Program is intended for businesses that "were in good financial standing before the crisis" and eligible lenders are expected to conduct an assessment of each potential borrower's financial condition at the time of the application (applying their own underwriting standards). Therefore, businesses that otherwise meet the eligible borrower requirements described in these FAQs may still not be approved for a loan or may not receive the maximum allowable amount.

Loan Classification
If the eligible borrower had other loans outstanding with the eligible lender as of December 31, 2019 (including, with respect to the MSELF, the loan that is the subject of upsizing), such loans must have had an internal risk rating equivalent to a "pass" in the Federal Financial Institutions Examination Council's supervisory rating system on that date.

12. Q: How will 2019 EBITDA be calculated?

A: 2019 EBITDA will be calculated as follows:

>> MSNLF and MSPLF: For MSNLF and MSPLF, the methodology used by the eligible lender to calculate adjusted 2019 EBITDA for an eligible borrower must be a methodology it previously used for adjusting EBITDA when extending

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credit to the eligible borrower or to similarly situated borrowers on or before April 24, 2020.

>> MSELF: For MSELF loans, the methodology used by the eligible lender to calculate adjusted 2019 EBITDA for the eligible borrower must be the methodology it previously used for adjusting EBITDA when originating or amending the underlying loan on or before April 24, 2020.

13. Q: How will "existing outstanding and undrawn available debt" be calculated?

A: The current Federal Reserve guidance provides that "existing outstanding and undrawn available debt" includes:

>> All amounts borrowed under any loan facility, including unsecured or secured loans from any bank, non-bank financial institution or private lender;

>> Any publicly issued bonds or private placement facilities; and

>> All unused commitments under any loan facility, excluding:

- Any undrawn commitment that serves as a backup line for commercial paper issuance;
- Any undrawn commitment that is used to finance receivables (including seasonal financing of inventory);
- Any undrawn commitment that cannot be drawn without additional collateral; and
- Any undrawn commitment that is no longer available due to change in circumstance.

Please note that any portion of a PPP loan that has not yet been forgiven is counted as outstanding debt.

14. Q: What interest rate could my business generally expect for the Main Street Lending Program?

A: The MSNLF, the MSPLF and the MSELF each provide an adjustable interest rate equal to LIBOR (1 or 3 month) plus 300 basis points (i.e., 3 percent).

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As of the date of this FAQ, in calendar year 2020, 1-month LIBOR has fluctuated between a high of 1.73 percent to a low of 0.17 percent; and 3-month LIBOR has fluctuated between a high of 1.90 percent to a low of 0.33 percent. Interested borrowers should consult an eligible lender for advice on the applicable interest rate and evaluate this program against their other available credit facilities and options.

15. Q: Are loans under the Main Street Lending Program eligible for loan forgiveness?

A: No. The Federal Reserve has stated that Main Street loans are full-recourse loans and are not forgivable. However, in the event of restructurings or workouts, the SPV may agree to reductions in interest (including capitalized interest), extended amortization schedules and maturities, and higher priority "priming" loans.

16. Q: What fees are associated with the loans under the Main Street Lending Program?

A: Main Street Lending Programs may be subject to the following fees:

- >> MSNLF and MSPLF
  - Origination Fee: The eligible borrower will pay the eligible lender an origination fee of up to 100 basis points of the principal amount of the loan at the time of origination. Eligible lenders have discretion of whether and when to charge eligible borrowers this fee.
  - Transaction Fee: An eligible lender will pay the SPV a transaction fee of 100 basis points of the principal amount of the loan at the time of origination. The eligible lender may require the eligible borrower to pay this fee.
- >> MSELF
  - Origination Fee: The eligible borrower will pay the eligible lender an upsizing fee of up to 75 basis points of the principal amount of the upsized tranche of the loan at the time of upsizing. Eligible lenders have discretion of whether and when to charge eligible borrowers this fee.
  - Transaction Fee: An eligible lender will pay the Federal Reserve a transaction fee of 75 basis points of the principal amount of the upsized tranche of the loan at the time of upsizing; however, the eligible lender may require the eligible borrower to pay this fee.

In addition, the Federal Reserve will pay an eligible lender 25 basis points of the principal amount of its participation in the loan or the upsized tranche of the loan (as the case may be) per annum for loan servicing.

17. Q: Does the Main Street Lending Facility have a termination date?

A: The Federal Reserve will cease purchasing participations in loans on September 30, 2020, unless the Federal Reserve and the Treasury Department extend the facility. The Federal Reserve Bank of Boston will continue to fund the program after such date until the program's underlying assets mature or are sold.

18. Q: How can my business participate in the Main Street Lending Program?

A: On June 15, 2020, the Federal Reserve announced that the Main Street Lending Program was open for lender registration. Once an eligible lender has registered to participate in the program, the eligible lender can begin making Main Street loans immediately. Since many national and regional banks will be eligible lenders, interested businesses should contact their regular banking relationships to request an application.

19. Q: Aside from the Main Street Lending Program, what other Federal Reserve Programs have been announced?

A: Since the beginning of the COVID-19 pandemic, the Federal Reserve has also announced the following programs and facilities using its emergency lending authority under Section 13(3) of the Federal Reserve Act:

The Primary Dealer Credit Facility (PDCF)

The PDCF is a facility that will provide credit to primary dealers in exchange for a broad range of collateral for term funding with maturities up to 90 days. The PDFC was announced on March 17, 2020 and is open only to primary dealers that are trading counterparties of the Federal Reserve Bank of New York.

The terms of the PDCF are available here.

Commercial Paper Funding Facility (CPFF)

The CPFF is a facility that, through an SPV, will serve as a funding backstop to facilitate the issuance of term commercial paper by certain eligible issuers. Subject to certain exceptions, the SPV established for the CPFF will only purchase U.S. dollar-denominated

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commercial paper that is rated A1/P1/F1 by a nationally recognized statistical rating organization (NRSRO). The CPFF was announced on March 17, 2020.

The terms of the CPFF are available here.

Money Market Mutual Fund Liquidity Facility (MMLF)
The MMLF is a facility that will provide certain nonrecourse advance to certain U.S. depository institutions and banks to purchase certain types of assets from eligible money market mutual funds. The MMLF was announced on March 18, 2020.

The terms of the MMLF are available here.

Primary Market Corporate Credit Facility (PMCCF)
The PMCCF is a facility that, through an SPV, will purchase:

1. Qualifying corporate bonds as the sole investor in a bond issuance; and
2. Portions of syndicated loans or bonds at issuance.

The PMCCF was announced on March 23, 2020; the term sheet for the PMCCF was subsequently amended by the Federal Reserve on April 9, 2020. BlackRock Financial Markets Advisory (BFMA) has been appointed to serve as the investment manager for the PMCCF.

The terms of the PMCCF are available here.

Secondary Market Corporate Credit Facility (SMCCF)
The SMCCF is a credit facility that, through an SPV, will purchase, in the secondary market, eligible individual corporate bonds, as well as eligible corporate bond portfolios, in the form of exchange-traded funds issued by eligible issuers. The SMCCF was announced on March 23, 2020; the term sheet for the SMCCF was subsequently amended by the Federal Reserve on April 9, 2020. BFMA has been appointed to serve as the investment manager for the SMCCF.

The terms of the SMCCF are available here.

Term Asset-Backed Securities Loan Facility (TALF)
The TALF is a facility that will enable the issuance of asset-backed securities (ABS) backed by student loans, auto loans, credit card loans, loans guaranteed by the SBA and certain other assets. The TALF was announced on March 23, 2020; the term sheet for the TALF was subsequently amended by the Federal Reserve on April 9, 2020.

The terms of the TALF are available here.

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Paycheck Protection Program Lending Facility (PPPLF)
The PPPLF is a facility designed to provide liquidity to entities originating loans to small businesses under the PPP. Under PPPLF, the Federal Reserve Banks will lend to certain eligible depositary institutions on a non-recourse basis, taking PPP loans as collateral. The PPPLF was announced on April 9, 2020.

The terms of the PPPLF are available here.

Municipal Liquidity Facility (MLF)
The MLF is a facility that will support lending to U.S. states, the District of Columbia and certain U.S. cities and counties. The MLF was announced on April 9, 2020.

The terms of the MLF are available here.

For More Information

Please contact the attorneys listed below or the D&G attorney with whom you have regular contact.

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