Main Street Lending Program Structure

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What Should Potential Lenders Do Next?
On April 30, the Federal Reserve released updated term sheets and a set of FAQs in relation to its Main Street Lending Program (the Program).\(^1\) The Main Street Lending Program, as updated, will now consist of three loan facilities:\(^2\)

- the Main Street New Loan Facility for new secured or unsecured term loans to be originated on or after April 24, 2020 (New Loans)\(^3\)

- the Main Street Expanded Loan Facility for incremental term loans that are added as an additional tranche of an existing term loan or revolving credit facility that was made by a bank or certain other eligible lenders before April 24, 2020 (Expanded Loans)\(^4\)

- the Main Street Priority Loan Facility for new loans that do not need to be tied to an existing term loan or revolver made by a bank or other eligible lender, subject to certain payment and lien priority requirements more fully discussed below (Priority Loans).\(^5\)

The Federal Reserve has not yet announced a launch date for the Main Street Lending Program and certain details of great importance to lenders and borrowers relating to loan participation terms, credit administration and loan servicing have not yet been announced.

The Federal Reserve has indicated that it expects the Main Street Lending Program will evolve over time and that changes to the borrower and lender eligibility requirements and to the loan eligibility metrics may be made during the life of the program.

The Federal Reserve has also indicated that the borrower eligibility requirements and loan metric requirements are merely minimum requirements and that lenders must underwrite each loan using their customary requirements. Thus, a company may be eligible and may seek a loan consistent with the requirements and loan metrics in the applicable term sheet and yet still not receive a loan because it does not meet its lender’s underwriting standards.

The combined size of the Main Street Lending Program (including the participation by the Federal Reserve in the New Loan Facility, the Expanded Loan Facility and the Priority Loan Facility) is initially set at $600 billion, and it will utilize just $75 billion of the funds
allocated to the Treasury for such purposes. Overall, the Treasury has deployed only about one-third of the $454 billion of funds allocated to it under the CARES Act for such purposes, and if the Program needs to be increased (or additional programs added), the Treasury and Federal Reserve can do so without going back to Congress.

_Due to the criteria established for loans under the Program, the size of the Program, and the stated intention of the Federal Reserve to increase the Program if it has underestimated the need, the Main Street Lending Program should not face the same “run on the bank” issues as were experienced in connection with the Paycheck Protection Program._

**Main Street Lending Program Structure**

The Main Street Lending Program is not a direct loan program from the Federal Reserve or the U.S. government, and loans under the Program will not be forgiven. Instead, the Main Street Lending Program provides for the establishment of an indirect special purpose funding vehicle (SPV) by the Federal Reserve and funded in part by the U.S. Treasury. An eligible borrower (described below) may obtain a qualifying loan from an eligible lender (as described below). The SPV will purchase a participation interest in the qualifying loans at par from the eligible lender. The participation by the SPV will be 95 percent in the case of the New Loan Facility and the Expanded Loan Facility, and 85 percent in the case of the Priority Loan Facility. The eligible lender that advances a loan under the Main Street Lending Program is required to retain the remaining portion of the loan and the related risk (pro rata with the SPV’s participation interest) until the loan made under the Main Street Lending Program matures or the SPV sells all of its participation interest, whichever comes first.

Eligible lenders under the Program are U.S. federally insured depository institutions (including banks, savings associations and credit unions), U.S. branches or agencies of foreign banks, U.S. bank holding companies, U.S. savings and loan holding companies, U.S. intermediate holding companies of foreign banking organizations, or any U.S. subsidiary of any of the foregoing.

_Note that, as of this date, alternative lenders, such as debt funds that are not subsidiaries of a bank holding company or another eligible lender, are not included in the list of eligible lenders and accordingly will not be eligible to make loans under the Main Street Lending Program. The Federal Reserve has indicated that it is considering options to expand the list of eligible lenders in the future._
We recommend that eligible borrowers seeking loans under the Main Street Lending Program contact their relationship banks or existing lenders that are eligible lenders. These existing relationship lenders will likely be able to offer the quickest and most efficient execution since they have already performed underwriting, “know your customer” checks, and other internally required procedures on the borrower. In addition, an existing lender will have precedent it can use for calculating the borrower’s adjusted EBITDA (discussed further below). Finally, many, if not most, loans under the Main Street Lending Program will require consents and modifications to existing credit agreements, and the support of the borrower’s lead relationship lender(s) will be important.

For borrowers that do not have existing relationships with an eligible lender, it remains to be seen which, if any, eligible lenders will be interested in providing New Loans, Expanded Loans or Priority Loans to borrowers that are not existing customers.

Who Is an Eligible Borrower Under the Main Street Lending Program?

Business Size Limits

The Federal Reserve has expanded the Main Street Lending Program to allow borrowers that either have 15,000 or fewer employees or had 2019 annual revenues of $5 billion or less.

Both of these tests will be calculated on a combined basis with all affiliates of the borrower, in accordance with the same Small Business Administration (SBA) affiliation rules that apply for purposes of the Paycheck Protection Program (PPP). In general, all entities that control, or are under common control with, the borrower are affiliates. A detailed discussion of the SBA affiliation rules are available at https://www.pepperlaw.com/publications/sba-affiliation-regulations-impacting-eligibility-for-paycheck-protection-program-7a-loans-2020-04-01/. For private equity groups, this generally means aggregating most portfolio companies, and, even at the increased employee and revenue thresholds, this will exclude many private equity-owned businesses.

The Federal Reserve has also indicated that it will follow the SBA’s methodology for counting employees. Under these rules, the number of employees will be the average over the last 12 months of pay periods. Part-time and temporary employees count as employees in this calculation. More information on the SBA’s methodology for count-

Businesses may use either of the following methods to calculate 2019 annual revenues for purposes of determining eligibility:

• a Business may use its (and its affiliates’) annual “revenue” per its 2019 Generally Accepted Accounting Principles-based (GAAP-based) 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. For purposes of the Program, the term “receipts” has the same meaning as used by the SBA in 13 C.F.R. 121.104(a).

**U.S. Business Requirements**

An eligible borrower must be a legal entity organized for profit in the United States or under the laws of the United States, with significant operations in and a majority of its employees in the United States.

*Note that the term sheets and FAQs are silent as to whether any affiliate aggregation rules will apply for purposes of the U.S. employee majority test.*

**Ineligible Businesses**

The Federal Reserve has incorporated most of the “ineligible business” concepts applied by the SBA in relation to the PPP and other SBA programs. The “ineligible businesses” excluded by the SBA encompass things such as passive real estate companies or financial businesses engaged primarily in the business of lending, as well as more obviously nefarious business such as those engaged in illegal activities.

The Federal Reserve has made an exception for the SBA exclusion applicable to “businesses principally engaged in teaching, instructing, counseling or indoctrinating religion or religious beliefs, whether in a religious or secular setting” (i.e., they will allow these businesses as eligible borrowers, to the extent that these businesses are organized for profit and otherwise meet the eligibility criteria).
An eligible borrower must be organized as a for-profit business, so nonprofit institutions are ineligible and should not apply. However, the Federal Reserve has stated that it and the Treasury Department are evaluating the feasibility of adjusting the borrower eligibility requirements and loan eligibility metrics to permit nonprofits to participate in the Main Street Lending Program. So stay tuned.

Creditworthiness

Eligible lenders under the Main Street Lending Program must conduct an assessment of each potential borrower’s financial condition at the time of the application for a loan and are expected to apply their own underwriting standards in evaluating the financial condition and creditworthiness of a potential borrower. In addition, the Federal Reserve has imposed a few specific rules:

- Borrowers must have been in sound financial condition prior to the onset of the COVID-19 pandemic.
- If the lender had an existing loan with the borrower at December 31, 2019, it must have had a “pass” risk rating at that date.
- The borrower must certify that it has a reasonable basis to believe that, as of the date of origination and after giving effect to the 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.

There are also maximum leverage thresholds that borrowers must satisfy to obtain loans under the Main Street Lending Program, as discussed below in the “What are the terms of eligible loans under the Main Street Lending Program?” section. Businesses that exceed those debt leverage levels and any business with zero or negative EBITDA will be unable to obtain loans under the Main Street Lending Program. It should also be noted that, even if a business can incur a loan within the maximum leverage thresholds under the applicable facility, it may still not receive a loan, or may not receive as large a loan as requested, if the business does not otherwise meet its lender’s underwriting standards.

Prohibitions on Double Dipping

Borrowers cannot obtain loans under more than one of the facilities under the Main Street Lending Program. Businesses are also ineligible for loans under the Program if they have
participated in the Federal Reserve’s Primary Market Corporate Credit Facility or if they have received specific support under the provisions of the CARES Act providing for direct loans by the Treasury to businesses in the aviation or national security industries.

An eligible borrower is not prohibited from receiving multiple loans under a single facility in the Main Street Lending Program, subject to the overall caps applicable to the respective facilities. For example, if an eligible borrower had a group of eligible lenders in its existing term loan that wanted to collectively participate in Expanded Loans to the eligible borrower, they could each make an Expanded Loan to the eligible borrower within the overall caps applicable to the Expanded Loan Facility.

Participation in the Paycheck Protection Program does not disqualify an eligible borrower from receiving a loan under the Main Street Lending Program.

Note that the term sheets and FAQs are silent as to whether any affiliate aggregation rules will apply for purposes of these prohibitions. It is unclear, for example, whether separate portfolio companies owned by a private equity group could, if they meet the 15,000 employee test or $5 billion revenue test on a combined basis, each apply for a loan under the same or different facilities of the Main Street Lending Program.

What Are the Terms of Eligible Loans Under the Main Street Lending Program?

Outline of Terms

The basic terms of the three facilities are as follows:
<table>
<thead>
<tr>
<th>Main Street Lending Program Loan Options</th>
<th>New Loans</th>
<th>Priority Loans</th>
<th>Expanded Loans</th>
</tr>
</thead>
<tbody>
<tr>
<td>Term</td>
<td>4 years</td>
<td>4 years</td>
<td>4 years</td>
</tr>
<tr>
<td>Minimum Loan Size</td>
<td>$500,000</td>
<td>$500,000</td>
<td>$10 million</td>
</tr>
<tr>
<td>Maximum Loan Size</td>
<td>Lesser of $25 million or total leverage ratio not to exceed 4x 2019 adjusted EBITDA</td>
<td>Lesser of $25 million or total leverage ratio not to exceed 6x 2019 adjusted EBITDA</td>
<td>Lesser of $200 million, 35% of outstanding and undrawn available pari passu debt, or total leverage ratio not to exceed 6x 2019 adjusted EBITDA</td>
</tr>
<tr>
<td>Risk Retention</td>
<td>5%</td>
<td>15%</td>
<td>5%</td>
</tr>
<tr>
<td>Principal Repayment (Year One Deferred for All)</td>
<td>Years 2-4: 33.33% each year</td>
<td>Years 2-4: 15%, 15%, 70%</td>
<td>Years 2-4: 15%, 15%, 70%</td>
</tr>
<tr>
<td>Rate</td>
<td>LIBOR + 3%</td>
<td>LIBOR + 3%</td>
<td>LIBOR + 3%</td>
</tr>
</tbody>
</table>

How is EBITDA determined for purposes of determining the maximum loan amounts?

For New Loans and Priority Loans, 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 credit to the eligible borrower or to similarly situated borrowers on or before April 24, 2020.

For Expanded 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.

Note that the term sheets and FAQs are unclear as to whether any affiliate aggregation rules will apply for purposes of calculating the leverage ratio in determining the maximum loan amount.
What is included in “available debt” for purposes of calculating the leverage ratios that govern the maximum amount of the loans?

When calculating the leverage ratios for purposes of determining the amount (if any) that can be borrowed under the respective facilities, the numerator must include all “existing outstanding and undrawn available debt.” This includes all amounts borrowed under any loan facility, including unsecured or secured loans from any bank, nonbank financial institution or private lender, as well as any publicly issued bonds or private placement facilities. It also includes all unused commitments under any loan facility, but excluding (1) any undrawn commitment that serves as a backup line for commercial paper issuance, (2) any undrawn commitment that is used to finance receivables (including seasonal financing of inventory), (3) any undrawn commitment that cannot be drawn without additional collateral, and (4) any undrawn commitment that is no longer available due to change in circumstance. Existing outstanding and undrawn available debt should be calculated as of the date of the loan application. These same concepts of undrawn available debt are also used for purposes of calculating the amount of debt that is pari passu with any Expanded Loan for purposes of the 35 percent test applicable to such loans.

Note that the exception for undrawn commitments to finance receivables and inventory may serve to exclude from the leverage calculation the undrawn portion of many, if not most, revolving lines of credit.

What qualifies as an existing term loan or revolver for purposes of the Expanded Loan Facility?

For Expanded Loans to be made under the Expanded Loan Facility, there must be an existing term loan or revolver made by an eligible lender that was originated on or before April 24, 2020 and that 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).

If the underlying loan is part of a multi-lender facility, the eligible lender making the Expanded Loan must be one of the lenders that holds an interest in the underlying loan at the date of upsizing. The other lenders in the facility do not need to be eligible lenders.

In addition to retaining its 5 percent interest in the Expanded Loan, an eligible lender making a loan under the Expanded Loan Facility must also continue to hold its interest in
the underlying term loan or revolver until the Expanded Loan matures or the SPV sells all of its participation interest.

Only borrowers with an existing term loan or revolver that was made (in whole or in part) by an eligible lender may obtain an Expanded Loan.

How will loans under the Main Street Lending Program relate to other indebtedness of the borrower?

New Loans may be unsecured or unsecured and may be junior to other debt in lien priority but may not be contractually subordinated in right of payment to other debt of the eligible borrower.

Expanded Loans and Priority Loans must be senior to or pari passu with, in terms of priority and collateral security, all of the eligible borrower’s other debt, other than mortgage debt. In effect, this means that Expanded Loans and Priority Loans must be pari passu with the most senior class of debt of the eligible borrower.

The requirement that Expanded Loans or Priority Loans must be senior to or pari passu with all other debt (other than mortgage debt) would seem impossible to meet in a case where there is an existing split-collateral structure (e.g., an ABL with priority liens on working capital assets and a term loan with priority liens on all other assets). It remains to be seen whether the Federal Reserve will address the split-collateral loan structure in future revisions of the Program. [Back to Top]

What Are the Other Requirements and Restrictions of Eligible Loans?

Restrictions on Dividends and Distributions

Eligible borrowers receiving loans under the Main Street Lending Program must commit to following the equity repurchase and capital distribution restrictions that apply to direct loan programs under the CARES Act, 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.

Except for tax distributions, these provisions would prohibit the payment of dividends or making of capital distributions with respect to any of the eligible borrower’s common stock
while the loan is outstanding and for 12 months thereafter. They would also prohibit the repurchase of any of its equity securities or those of its parent company that are listed on a national securities exchange (i.e., NYSE or NASDAQ) while the loan is outstanding and for 12 months thereafter, except as required by existing contractual obligations.

Other than the exception for pass-through tax distributions, the Federal Reserve has not provided interpretive guidance with respect to these statutory provisions in the CARES Act. For example, are redemptions of ex-employee shares permitted so long as the shares are not publicly traded, or does it depend on whether the redemption would constitute a “capital distribution”? Also, can distributions be made within an obligor group, or to cover holding company overhead?

Repayment of Other Debt

Eligible borrowers receiving loans under the Main Street Lending Program must commit to refrain from making any voluntary principal or interest prepayments on other debt, so long as the applicable loan under the Main Street Lending Program remains outstanding. Eligible lenders must also commit not to seek to cancel or reduce any of their committed lines of credit.

Notwithstanding the foregoing, eligible borrowers may use Priority Loans to refinance existing debt owed by the eligible borrower to a lender that is not an eligible lender.

The FAQs indicate that the restrictions on prepaying debt would not prohibit:

• 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 the 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 loan made under the Main Street Lending Program

• refinancing maturing debt.
Compensation Restrictions

Eligible borrowers receiving loans under the Main Street Lending Program must commit to follow the compensation rules (available at https://www.pepperlaw.com/publications/executive-compensation-limits-in-cares-act-raise-questions-2020-03-27/) applicable to direct loans under section 4003(c)(3)(A)(ii) of the CARES Act. These rules state that:

- officers and employees whose total compensation exceeded $425,000 in the 2019 calendar year may not receive total compensation during any 12 consecutive months of such period greater than their 2019 compensation, or receive severance pay or other termination benefits exceeding twice their maximum total 2019 compensation

- officers and employees whose total compensation exceeded $3 million in the 2019 calendar year may not receive during any 12 consecutive months of such period total compensation in excess of $3 million, plus 50 percent of the excess of such 2019 compensation over $3 million.

Employee Retention

The terms sheets provide that “[e]ach Eligible Borrower that participates in the Facility should make commercially reasonable efforts to maintain its payroll and retain its employees during the time the Eligible Loan is outstanding.” The FAQs elaborate on this to mean 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.” The FAQs specifically clarify that businesses are not ineligible as a result of having laid off or furloughed workers as a result of the disruptions from COVID-19.

Additional Attestations and Covenants by Eligible Borrowers

In addition to the above attestations and covenants, an eligible borrower must certify that it is eligible to participate in the Main Street Lending Program, including in light of the conflicts of interest prohibition in section 4019(b) of the CARES Act.

Restrictions and Attestations That Are Not Applicable

The original version of the term sheets for the Main Street Lending Program called for an eligible borrower to attest that it requires financing due to the exigent circumstances pre-
sented by the COVID-19 pandemic, and that it will make reasonable efforts to maintain its payroll and retain its employees with the proceeds of the eligible loan during the term of the eligible loan. Perhaps in light of the controversies engendered by similar requirements under the Paycheck Protection Program, this is no longer required. **Eligible borrowers are not required to make any attestations or certifications as to need.**

An Eligible borrower **is not** required to make the attestations that the CARES Act required be made for eligible loans under the “Mid-Sized Business Assistance” component of the CARES Act, including:

- that the loan proceeds will be used to retain at least 90 percent of its workforce, at full compensation and benefits, until September 30, 2020
- that it intends to restore not less than 90 percent of its workforce that existed as of February 1, 2020, and to restore all compensation and benefits to its workers no later than four months after the termination of the public health emergency
- that it will not outsource or offshore jobs for the loan term and two years after repayment
- that it will not abrogate existing collective bargaining agreements for the loan term and two years after repayment
- that it will remain neutral in any union organizing effort for the loan term.

Eligible borrowers **are not** required to issue warrants or equity interests in their business in order to obtain an eligible loan, as is required for loans to specified targeted industries under the CARES Act (i.e., passenger air carriers and related industries, such as ticketing and inspection; repair, replacement and overhaul services; cargo air carriers; and businesses deemed critical to national security).

*Burdens Imposed on Eligible Lenders*

Eligible lenders are expected to underwrite loans under the Main Street Lending Program in accordance with their customary underwriting criteria and should view the eligibility criteria in the term sheets as the minimum requirements for loans under the Program.
An eligible lender is required to collect the required certifications and covenants from each eligible borrower at the time of origination or upsizing. Eligible lenders may rely on an eligible borrower’s certifications and covenants, as well as any subsequent self-reporting by the eligible borrower. The eligible lender is not expected to independently verify the eligible borrower’s certifications or actively monitor ongoing compliance with covenants required for eligible borrowers under the Program term sheets.

An eligible lender is specifically required by the term sheets to make the following certifications and covenants:

- The eligible lender must commit that it will not request that the eligible borrower repay debt extended by the eligible lender to the eligible borrower, or pay interest on such outstanding obligations, until the eligible loan is repaid in full, unless the debt or interest payment is mandatory and due, or in the case of default and acceleration.

- The eligible lender must commit that it will not cancel or reduce any existing committed lines of credit to the eligible borrower, except in an event of default.

- The eligible lender must certify that the methodology used for calculating the eligible borrower’s adjusted 2019 EBITDA for the leverage requirement is the methodology it has previously used for adjusting EBITDA when extending credit to the eligible borrower or similarly situated borrowers on or before April 24, 2020 (in the case of New Loans or Priority Loans) or is the methodology it previously used for adjusting EBITDA when originating or amending the underlying loan on or before April 24, 2020 (in relation to an Expanded Loan).

- The eligible lender must certify that it is eligible to participate in the facility, including in light of the conflicts of interest prohibition in section 4019(b) of the CARES Act.7

The SPV will collect information on certifications, covenants, lenders, loan terms and loan performance as well as the borrowers, borrowers’ fundamentals, collateral and other characteristics. The information will be used to verify that the lender, loan, and borrower meet eligibility requirements and to support ongoing accounting and credit-risk monitoring needs with respect to purchased loan participations.

Additional details regarding the process for obtaining the SPV’s participation and the terms of such participation are yet to be provided. The scope of representations
and warranties required to be made by eligible lenders to the SPV, or other potential avenues of recourse back to the eligible lender, as well as intercreditor-type rights in favor of the SPV, will be critical to determining the attractiveness of participating in the Program for eligible lenders. [Back to Top]

What Should Potential Borrowers Do Next?
Businesses that have determined that they may need or may benefit from loans under the Main Street Lending Program should work with finance counsel to assess their particular facts and circumstances, eligibility for the various U.S. governmental programs and which may be more beneficial, and the limitations and implications of obtaining debt funding from any U.S. governmental programs under their existing debt and other agreements.

Due to the potential size of loans under the Main Street Lending Program compared to the size of Paycheck Protection Program loans and the different terms, conditions and requirements, we believe loans obtained under the Main Street Lending Program will require greater scrutiny of the restrictive covenants and other provisions contained in potential borrowers’ existing credit facilities and will likely require borrowers to work with their existing lenders and counsel to obtain necessary amendments and consents to receive loans under the Main Street Lending Program. [Back to Top]

What Should Potential Lenders Do Next?

Lenders should anticipate a high volume of loan requests under the Main Street Lending Program. Unlike PPP loans, the Main Street Lending Program carries credit risk due to the interest retained by the originating lender and will require a robust underwriting process.

As noted above, there are significant additional details that will be required from the Federal Reserve before lenders can begin making loans under the Program, but lenders should understand the borrower qualifications set forth by the Federal Reserve and should begin to evaluate which, if any, of the facilities would be useful to existing borrowers and might be expected to satisfy the lender’s underwriting criteria. Lenders should document all communications with existing and potential borrowers to provide to auditors and regulators if required. The Federal Reserve authorizes lenders to determine loan terms and conditions within the parameters established for the respective facilities based on the lender’s underlying credit policy and existing regulations, so lenders should ensure that underwriting standards are consistent and documented. Finally, lenders should work
with finance counsel to ensure that any documentation for loans under the Program include all appropriate certifications as well as to address integration with the borrower’s existing credit facilities. [Back to Top]

Endnotes

1 The Federal Reserve’s announcement can be found at https://www.federalreserve.gov/newsevents/pressreleases/monetary20200430a.htm.

2 As discussed further below, the Main Street Lending Program announced by the Federal Reserve is different than the program described in the CARES Act under the section on “Assistance for Mid-Sized Businesses,” and many of the specific rules spelled out in the CARES Act are not being imposed under the Main Street Lending Program.

3 The term sheet for the New Loan Facility can be found at https://www.federalreserve.gov/newsevents/pressreleases/files/monetary20200430a1.pdf.

4 The term sheet for the Expanded Loan Facility can be found at https://www.federalreserve.gov/newsevents/pressreleases/files/monetary20200430a3.pdf.

5 The term sheet for the Priority Loan Facility can be found at https://www.federalreserve.gov/newsevents/pressreleases/files/monetary20200430a2.pdf.

6 Interest payments are capitalized for the first year.

7 The conflict of interest rules preclude participation by businesses controlled by certain public officials and their family members.