



COVID-19: Main Street New Loan Facility and Main Street Expanded Loan Facility

SIDE-BY-SIDE COMPARISON

The Main Street Loan Facility and Main Street Expanded Loan Facility were developed for larger businesses that do not meet the size limitations of the Paycheck Protection Program (PPP).

The two loan facilities are intended to facilitate lending to small and medium-size businesses by eligible lenders.

The chart below provides a side-by-side comparison.

DEFINITIONS	
Board	Board of Governors of the Federal Reserve System
Borrower	Eligible Borrower
EBITDA	Earnings before interest, taxes, depreciation, and amortization
Lender	Eligible Lender
Loans	Eligible Loans
MSELF	Main Street Expanded Loan Facility
MSNLF	Main Street New Loan Facility
PMCCF	Primary Market Corporate Credit Facility
Reserve Bank	A Federal Reserve Bank
SPV	A single common special purpose vehicle

AS OF APRIL 17, 2020, THE MSELF AND THE MSNLF ARE NOT YET OPERATIONAL. A FEDERAL RESERVE FACILITY WHEREBY A SPV (I) PURCHASES QUALIFYING BONDS IN A BOND ISSUANCE; AND (II) PURCHASE PORTIONS OF SYNDICATED LOANS OR BONDS AT ISSUANCE.

	MAIN STREET NEW LOAN FACILITY	MAIN STREET EXPANDED LOAN FACILITY
SIZE	\$600 billion in aggregate	
PURPOSE	Facilitate lending to small and medium-sized businesses	Same
ELIGIBLE LENDERS	U.S. insured depository institutions	Same
	U.S. bank holding companies	Same
	U.S. savings and loan holding companies	Same
ELIGIBLE BORROWERS	Up to 10,000 employees or up to \$2.5 billion in 2019 annual revenues	Same
	Created or organized in the U.S. or under the laws of the U.S.	Same
	Significant operations in the U.S.	Same
	Majority of its employees based in the U.S.	Same
	May not also participate in the <i>MSELF</i> or the <i>PMCCF</i>	May not also participate in the <i>MSNLF</i> or the <i>PMCCF</i>



	MAIN STREET NEW LOAN FACILITY	MAIN STREET EXPANDED LOAN FACILITY
ELIGIBLE LOANS	Unsecured term loan to a Borrower	Term loan to a Borrower
	Originated on or after April 8, 2020	Same
	Loan must have the following features:	<i>Upsized tranche</i> of the Loan must have the following features:
	<ul style="list-style-type: none"> 4 year maturity 	<ul style="list-style-type: none"> Same
	<ul style="list-style-type: none"> Amortization of principal and interest deferred for one year 	<ul style="list-style-type: none"> Same
	<ul style="list-style-type: none"> Adjustable rate of SOFR + 250-400 basis points 	<ul style="list-style-type: none"> Same
	<ul style="list-style-type: none"> Minimum loan size of \$1 million 	<ul style="list-style-type: none"> Same
	<ul style="list-style-type: none"> Maximum loan size that is the lesser of <ol style="list-style-type: none"> \$25 million, or an amount that, when added to the Borrower's existing outstanding and committed but undrawn debt, does not exceed 4 times the Borrower's 2019 EBITDA 	<ul style="list-style-type: none"> Maximum loan size that is the lesser of <ol style="list-style-type: none"> \$150 million, 30% of the Borrower's existing outstanding and committed but undrawn bank debt, or an amount that, when added to the Borrower's existing outstanding and committed but undrawn debt, does not exceed 6 times the Borrower's 2019 EBITDA
	<ul style="list-style-type: none"> Prepayment permitted without penalty 	<ul style="list-style-type: none"> Prepayment permitted without penalty
LOAN PARTICIPATIONS	SPV will purchase a 95% participation in a Loan at par value.	SPV will purchase a 95% participation in the <i>upsized tranche</i> of the Loan, provided that it is upsized on or after April 8, 2020, at par value.
	Lender will retain 5% of the Loan	Same
	SPV and Lender share risk on a pari passu basis.	SPV and Lender share risk in the <i>upsized tranche</i> on a pari passu basis.
		Collateral securing a Loan, whether pledged under the original terms of the Loan or at the time of upsizing, will secure the participation on a <i>pro rata</i> basis.
LENDER ATTESTATIONS REQUIRED	The Loan will not be used to repay or refinance pre-existing loans or lines of credit made by the Lender to the Borrower.	The <i>upsized tranche</i> of the Loan will not be used to repay or refinance pre-existing loans or lines of credit made by the Lender to the Borrower, including the pre-existing portion of the Loan.
	Lender will not cancel or reduce any existing lines of credit outstanding to the Borrower.	Same

	MAIN STREET NEW LOAN FACILITY	MAIN STREET EXPANDED LOAN FACILITY
BORROWER ATTESTATIONS REQUIRED	Borrower will refrain from using the proceeds of the Loan to repay other loan balances.	Borrower will refrain from using the proceeds of the <i>upsized tranche</i> of the Loan to repay other loan balances.
	Borrower will refrain from repaying other debt of equal or lower priority, with the exception of mandatory principal payments, unless the Borrower has first repaid the Loan in full.	Same
	Borrower will not seek to cancel or reduce any of its outstanding lines of credit with the Lender or any other lender.	Same
	Borrower requires financing due to the exigent circumstances presented by the COVID-19 pandemic, and that, using the proceeds of the Loan, it will make reasonable efforts to maintain its payroll and retain its employees during the term of the Loan.	Borrower requires financing due to the exigent circumstances presented by the COVID-19 pandemic, and that, using the proceeds of the <i>upsized tranche</i> of the Loan, it will make reasonable efforts to maintain its payroll and retain its employees during the term of the <i>upsized tranche</i> of the Loan.
	Borrower meets the EBITDA leverage condition stated above.	Same
	Borrower will follow the restrictions that apply to direct loan programs under section 4003(c)(3)(A)(ii) of the CARES Act:	Same
	<ul style="list-style-type: none"> No repurchases of listed securities for 12 months after the direct loan is no longer outstanding unless required under a contract in effect as of the date of enactment of the CARES Act. 	<ul style="list-style-type: none"> Same
	<ul style="list-style-type: none"> No dividends or other capital distribution until 12 months after the direct loan is no longer outstanding. 	<ul style="list-style-type: none"> Same
	<ul style="list-style-type: none"> Limits on compensation and severance payments for certain officers and employees whose total compensation exceeded the threshold amounts of \$425,000 and \$3,000,000 in calendar year 2019. 	<ul style="list-style-type: none"> Same
LENDER AND BORROWER ATTESTATIONS REQUIRED	Lender and Borrower certify that the entity is eligible to participate in the Facility, including in light of the conflicts of interest prohibition in section 4019(b) of the CARES Act.	Same

	MAIN STREET <u>NEW</u> LOAN FACILITY	MAIN STREET <u>EXPANDED</u> LOAN FACILITY
FACILITY FEE	Lender will pay the SPV a facility fee of 100 basis points of the principal amount of the loan participation purchased by the SPV.	Not applicable.
	Borrower may be required to pay this fee.	Not applicable.
LOAN ORIGINATION AND SERVICING	Borrower will pay a Lender an origination fee of 100 basis points of the principal amount of the Loan.	Not applicable.
	SPV will pay Lender 25 basis points of the principal amount of its participation in the Loan per annum for loan servicing.	Not applicable.
LOAN UPSIZING AND SERVICING	Not applicable.	Borrower will pay a Lender a fee of 100 basis points of the principal amount of the <i>upsized tranche</i> of the Loan at the time of upsizing.
	Not applicable.	SPV will pay Lender 25 basis points of the principal amount of its participation in the <i>upsized tranche</i> of the Loan per annum for loan servicing.
FACILITY TERMINATION	September 30, 2020, unless extended by the Board and the Treasury Department.	Same
	Reserve Bank will continue to fund the SPV after September 30, 2020 until the SPV's underlying assets mature or are sold.	Same
AUTHORIZATION	§13(3) of the Federal Reserve Act	Same

QUESTIONS?

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