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1. Money Market Mutual Fund Liquidity Facility (“MMLF”)

Purpose:	To provide liquidity to money market mutual funds (“ <i>Funds</i> ”).
Description	Federal Reserve Bank of Boston (“ <i>FRB Boston</i> ”) would lend to Eligible Borrowers, taking as collateral certain types of assets purchased by the borrower from Funds (i) concurrently with the borrowing; or (ii) on or after March 18, 2020, but before the opening of the MMLF.
Nature of Lending:	Indirect through Eligible Borrowers
Eligible Borrowers:	All U.S. depository institutions, U.S. bank holding companies (parent companies incorporated in the United States or their U.S. broker-dealer subsidiaries), or U.S. branches and agencies of foreign banks are eligible to borrow under the MMLF.
Funds:	A Fund must identify itself as a Prime, Single State, or Other Tax Exempt money market fund under item A.10 of Securities and Exchange Commission Form N-MFP.
Maturity of Each Advance:	The maturity date of an advance will equal the maturity date of the eligible collateral pledged to secure the advance made under the MMLF except in no case will the maturity date of an advance exceed 12 months.
Eligible Collateral:	Collateral that is eligible for pledge under the MMLF must be one of the following types:
	1) U.S. Treasuries & Fully Guaranteed Agencies;
	2) Securities issued by U.S. Government Sponsored Entities;
	3) Asset-backed commercial paper, unsecured commercial paper, or a negotiable certificate of deposit that is issued by a U.S. issuer, ² and that has a short-term rating at the time purchased from the Fund or pledged to the FRB Boston in the top rating category (e.g., not lower than A1, F1, or P1, as applicable) from at least two major nationally recognized statistical rating organizations (“ <i>NRSRO</i> ”) or, if rated by only one major NRSRO, is rated within the top rating category by that NRSRO;
	4) U.S. municipal short-term debt (excluding variable rate demand notes) that:
	i. Has a maturity that does not exceed 12 months; and



	ii. At the time purchased from the Fund or pledged to the FRB Boston:
	1. Is rated in the top short-term rating category (e.g., rated SP1, MIG1, or F1, as applicable) by at least two major NRSROs or if rated by only one major NRSRO, is rated within the top rating category by that NRSRO; or
	2. If not rated in a short-term rating category, is rated in one of the top two long-term rating categories (e.g., AA or equivalent or above) by at least two major NRSROs or if rated by only one major NRSRO, is rated within the top two rating categories by that NRSRO.
	5) Variable rate demand note that:
	i. Has a demand feature that allows holders to tender the note at their option within 12 months; and
	ii. At the time purchased from the Fund or pledged to the FRB Boston:
	1. Is rated in the top short-term rating category (e.g., rated SP1, VMIG1, or F1, as applicable) by at least two major NRSROs or if rated by only one major NRSRO, is rated within the top rating category by that NRSRO; or
	2. If not rated in a short-term rating category, is rated in one of the top two long-term rating categories (e.g., AA or equivalent or above) by at least two major NRSROs or if rated by only one major NRSRO, is rated within the top two rating categories by that NRSRO.
	In addition, the facility may accept receivables from certain repurchase agreements. The feasibility of adding these and other asset classes to the facility will be considered in the future.
Interest Rate:	Advances made under the MMLF that are secured by U.S. Treasuries & Fully Guaranteed Agencies or Securities issued by U.S. Government Sponsored Entities will be made at a rate equal to the primary credit rate in effect at the FRB Boston that is offered to depository institutions at the time the advance is made.
	Advances made under the MMLF that are secured by U.S. municipal short-term debt will be made at a rate equal to the



	primary credit rate in effect at the FRB Boston that is offered to depository institutions at the time the advance is made plus 25 bps.
	All other advances will be made at a rate equal to the primary credit rate in effect at the FRB Boston that is offered to depository institutions at the time the advance is made plus 100 bps.
Fees:	There are no special fees associated with the MMLF.
Collateral Valuation:	The collateral valuation will either be amortized cost or fair value. For asset-backed commercial paper, unsecured commercial paper, negotiable certificates of deposit, and U.S. municipal short-term debt, including variable rate demand notes, the valuation will be amortized cost.
Advance Size:	Each advance shall be in a principal amount equal to the value of the collateral pledged to secure the advance.
Investment by Department of Treasury:	The Department of Treasury, using the Exchange Stabilization Fund, would provide \$10 billion as credit protection to the FRB Boston.
Non-Recourse:	Advances made under the MMLF are made without recourse to the Borrower, provided the requirements of the MMLF are met.
Regulatory Capital Treatment:	On March 19, 2020, the Board, the Office of the Comptroller of the Currency, and the Federal Deposit Insurance Corporation issued an interim final rule to allow banking organizations to neutralize the effects of purchasing assets through the program on risk-based and leveraged capital ratios. ¹
Program Termination:	No new credit extensions will be made after September 30, 2020, unless the MMLF is extended by the Board of Governors of the Federal Reserve System.

2. Primary Dealer Credit Facility (“PDCF”)

Borrower Eligibility:	Only primary dealers of the New York Federal Reserve Bank (“ FRB NY ”) are eligible to participate in the PDCF.
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¹ See <https://www.federalreserve.gov/newsevents/pressreleases/files/monetary20200319a1.pdf>.



<i>Nature of Lending:</i>	Direct
<i>Eligible Collateral:</i>	Collateral eligible for pledge under the PDCF includes all collateral eligible for pledge in open market operations (OMO); ² plus investment grade corporate debt securities, international agency securities, commercial paper, municipal securities, mortgage-backed securities, and asset-backed securities; ³ plus equity securities. ⁴ Foreign currency-denominated securities are not eligible for pledge under the PDCF at this time.
	Collateral that is not priced by the clearing bank will not be eligible for pledge under the PDCF.
	Additional collateral may become eligible at a later date upon further analysis.
<i>Term:</i>	Loans will be made available to primary dealers for a term of up to 90 days.
<i>Interest Rate:</i>	Loans made under the PDCF will be made at a rate equal to the primary credit rate in effect at the FRB NY offered to depository institutions via the Discount Window.
<i>Prepayment:</i>	Borrowers may prepay loans at any time.
<i>Time of Day:</i>	During Fedwire hours.
<i>Custody Rules and Arrangement:</i>	Dealers will communicate their demand for funding to their clearing bank. The clearing bank will verify that a sufficient amount of eligible collateral has been pledged by each primary dealer participating in the PDCF and notify the FRB NY accordingly.
	Once the FRB NY receives notice that a sufficient amount of margin-adjusted eligible collateral has been assigned to the FRB NY's account, the FRB NY will transfer the amount of the loan to the clearing bank for credit to the primary dealer.

² An addition to OMO-eligible securities are Treasury strips.

³ For the following securities types, only AAA-rated securities are accepted: commercial mortgage-backed securities (CMBS), collateralized loan obligations (CLOs), and collateralized debt obligations (CDOs). Other eligible securities as specified above are accepted if rated investment grade (such that BBB- securities and above). Specifically, investment grade commercial paper is accepted: commercial paper rated both A1/P1 and A2/P2.

⁴ The following equities would not be eligible: exchange traded funds (ETFs), unit investment trusts, mutual funds, rights and warrants.



<i>Collateral Valuation:</i>	The pledged collateral will be valued by Bank of New York Mellon according to a schedule designed to be similar to the margin schedule for lending by the Discount Window, to the extent possible.
<i>Loan Size:</i>	Loans will be limited to the amount of margin-adjusted eligible collateral pledged by the dealer and assigned to the FRB NY’s account at the clearing bank.
<i>Recourse:</i>	Loans made under the PDCF are made with recourse beyond the pledged collateral to the primary dealer entity.
<i>Program Termination:</i>	The PDCF will remain available to primary dealers for at least six months, or longer if conditions warrant.

3. Commercial Paper Funding Facility (“CPFF”)

<i>Facility:</i>	Structured as a credit facility to a special purpose vehicle (“ SPV ”) authorized under Section 13(3) of the Federal Reserve Act. The SPV will serve as a funding backstop to facilitate the issuance of term commercial paper by eligible issuers.
	The Federal Reserve Bank of New York (“ FRB NY ”) will commit to lend to the SPV on a recourse basis. The FRB NY will be secured by all the assets of the SPV. The U.S. Treasury Department—using the Exchange Stabilization Fund (“ ESF ”)—will make a \$10 billion equity investment in the SPV.
<i>Nature of Lending:</i>	Indirect through SPV.
<i>Registration and beginning of purchases:</i>	The registration process for the Facility commenced on April 6, 2020. The SPV will begin making purchases on April 14, 2020.
<i>Assets of the SPV:</i>	The SPV will purchase from eligible issuers three-month U.S. dollar-denominated commercial paper through the FRB NY’s primary dealers. Eligible issuers are U.S. issuers of commercial paper, including municipal issuers and U.S. issuers with a foreign parent company.
	The SPV will only purchase U.S. dollar-denominated commercial paper (including asset-backed commercial paper (“ ABCP ”)) that is rated at least A-1/P-1/F-1 by a major nationally recognized statistical rating organization (“ NRSRO ”)



	and, if rated by multiple major NRSROs, is rated at least A-1/P-1/F-1 by two or more major NRSROs, in each case subject to review by the Federal Reserve. ⁵
	An issuer that, on March 17, 2020, was (1) rated at least A1/P1/F1 by a major NRSRO or, if rated by multiple major NRSROs, was rated at least A1/P1/F1 by two or more major NRSROs; and (2) is subsequently downgraded, will be able to make a one-time sale of commercial paper to the SPV so long as the issuer is rated at least A2/P2/F2 by a major NRSRO or, if rated by multiple major NRSROs, is rated at least A2/P2/F2 by two or more major NRSROs, in each case subject to review by the Federal Reserve.
	If an issuer has split credit ratings, the following criteria apply for the issuer to be treated as having a rating of at least A1/P1/F1. If an issuer is rated by multiple major NRSROs, the issuer must have a rating of at least A1/P1/F1 from at least two of those major NRSROs. For example, if an issuer has ratings from two major NRSROs, both must be at least A1/P1/F1. For such an issuer, the following criteria apply for the issuer to be treated as having a rating of A2/P2/F2. If an issuer is rated by multiple major NRSROs, the issuer must have a rating of at least A2/P2/F2 from at least two of those major NRSROs. For example, if an issuer has ratings from two major NRSROs, both must be at least A2/P2/F2.
	The SPV will not purchase ABCP from issuers that were inactive prior to the creation of the CPFF. An issuer will be deemed inactive if it did not issue ABCP to institutions other than the sponsoring institution for any consecutive period of three-months or longer between March 16, 2019 and March 16, 2020.
	In commercial papers programs that provide for co-issuers, if one of the co-issuers of commercial paper is a U.S. issuer of commercial paper and the issuer meets all other program terms and conditions, the commercial paper will be considered eligible.

⁵ In addition, the SPV will make one-time purchases of commercial paper (up to the amount outstanding on March 17, 2020) from issuers that met these criteria as of March 17, 2020 and were rated at least A-2/P-2/F-2 as of the purchase date. These purchases will be subject to separate pricing. The Federal Reserve reserves the right to review and make adjustments to the terms and conditions described in this term sheet, including pricing and eligibility requirements.



<i>Sale process:</i>	At this time, eligible issuers may only sell commercial paper to the SPV through the FRB NY primary dealers and not directly to the SPV.
<i>Limits per issuer:</i>	The maximum amount of a single issuer’s commercial paper the SPV may own at any time will be the greatest amount of U.S. dollar-denominated commercial paper the issuer had outstanding on any day between March 16, 2019 and March 16, 2020. The SPV will not purchase additional commercial paper from an issuer whose total commercial paper outstanding to all investors (including the SPV) equals or exceeds the issuer’s limit.
	For an issuer that, on March 17, 2020, was (1) rated at least A1/P1/F1 by a major NRSRO or, if rated by multiple major NRSROs, was rated at least A1/P1/F1 by two or more major NRSROs; and (2) is rated at least A2/P2/F2 by a major NRSRO or, if rated by multiple major NRSROs, is rated at least A2/P2/F2 by two or more major NRSROs, the maximum amount of the issuer’s commercial paper that the SPV will purchase is the amount of U.S. dollar-denominated commercial paper the issuer had outstanding the day before it was downgraded.
	The SPV will not purchase additional commercial paper from an issuer whose total commercial paper outstanding to all investors (including the SPV) equals or exceeds the issuer’s limit.
	Upon registration with the CPFF, the issuer will be required to certify the maximum amount of U.S. dollar-denominated commercial paper it can sell to the SPV, consistent with the calculation criteria described above. However, as with all eligibility requirements, the FRB NY reserves the right to limit or prohibit participation in the CPFF.
<i>Minimum transaction size:</i>	The minimum transaction size (as accepted over the BLOOMBERG PROFESSIONAL BOOM platform) is \$100,000.
<i>Pricing:</i>	For commercial paper rated A1/P1/F1 by a major NRSRO and, if rated by multiple major NRSROs, is rated at least A1/P1/F1 by two or more major NRSROs, pricing will be based on the then-current 3-month overnight index swap (“ <i>OIS</i> ”) rate plus 1.10%. For commercial paper rated A2/P2/F2 by a major NRSRO and,



	if rated by multiple major NRSROs, is rated A2/P2/F2 by two or more major NRSROs, pricing will be based on the then-current 3-month OIS rate plus 2.00%.
	At the time of its registration to use the CPFF, each issuer must pay a facility fee equal to 0.10% of the maximum amount of its commercial paper the SPV may own.
Registration process:	<p>Issuers will need to register with the CPFF in order to sell commercial paper to the SPV. Registration materials, including wire instructions; a registration form, including a request for limit verification from an Issuing and Paying Agent and financial documents; and certifications regarding the issuer’s eligibility, are available as of April 6, 2020, on the CPFF webpage. At the time of registration, an eligible issuer must provide a written certification that it is not insolvent, as used in section 201.4(d)(5)(iii) of the Board’s Regulation A.</p> <p>To access the facility on April 14, 2020, an issuer must register no later than April 9, 2020. Thereafter, issuers are required to register at least two business days in advance of their intended participation.</p>
Termination date:	The SPV will cease purchasing commercial paper on March 17, 2021, unless the Board extends the facility. The FRB NY will continue to fund the SPV after such date until the SPV’s underlying assets mature.

4. U.S. Dollar Swap Lines

Purpose:	Dollar liquidity swap lines are designed improve liquidity conditions in U.S. and foreign financial markets by providing foreign central banks with the capacity to deliver U.S. dollar funding to institutions in their jurisdictions during times of market stress.
Rationale for Expansion of Standing Arrangements:	In order to improve liquidity conditions and proper functioning of dollar markets globally, Federal Reserve felt it had to ensure that financial institutions in many additional jurisdictions – besides the five jurisdictions with which it has standing U.S. dollar liquidity swap arrangements— would retain access to dollar funding.



<i>Rationale Generally:</i>	Providing swap lines to a wide range of foreign economies helps the U.S. economy and financial system in many ways:
	<ul style="list-style-type: none"> • It helps maintain the flow of lending to U.S. households and businesses by reducing the likelihood that distress in foreign financial markets and economies would weigh on global banks that are active in U.S. markets
	<ul style="list-style-type: none"> • It reduces the likelihood that financial crises could emerge and spread – such crises could disrupt global financial markets and spillover over to harm U.S. markets and economic activity.
	<ul style="list-style-type: none"> • By reducing financial stress, it reduces the likelihood that turbulence and crises would drive up the dollar and weigh on foreign growth, thus hurting our exports and widening our trade deficit.
<i>Swaps Authorized by Whom?</i>	Federal Open Market Committee (“ FOMC ”) of the Federal Reserve System and the policy boards or executives of the respective foreign central banks. In addition, the Federal Reserve had the right to approve or deny requests by foreign central banks to draw on their swap lines.
<i>Which Central Banks can engage in swaps?</i>	The Federal Reserve has standing swap arrangements with the Bank of Canada, the Bank of England, the European Central Bank, the Bank of Japan, and the Swiss National Bank. On March 19, 2020, it added temporary swap arrangements with the Reserve Bank of Australia, the Banco Central do Brasil, Danmarks Nationalbank (Denmark), the Bank of Korea, the Banco de Mexico, the Reserve Bank of New Zealand, the Norges Bank (Norway), the Monetary Authority of Singapore, and the Sveriges Riksbank (Sweden) to be in place for at least six months; these additions represent countries with which it established lines during the global financial crisis of 2008, which were allowed to expire after that crisis subsided.
<i>How are the Swaps Structured?</i>	The Federal Reserve provides U.S. dollars to a foreign central bank. At the same time, the foreign central bank provides the equivalent amount of funds in its currency to the Federal Reserve, based on the market exchange rate at the time of the transaction. The parties agreed to swap back these quantities of their two currencies at a specified date in the future, which is the next day or as far ahead as three months, using the same exchange rate as in the first transaction. Because the terms of this second transaction are set in advance, fluctuations in



	exchange rates during the interim do not alter the eventual payments. Accordingly, these swap operations carry no exchange rate or other market risks.
<i>Is the Federal Reserve exposed to foreign exchange or private bank risk in extending these lines?</i>	No. Dollars provided through the U.S. dollar liquidity swaps are provided by the Federal Reserve to foreign central banks, not to the institutions obtaining the funding in these operations. The foreign central bank receiving U.S. dollars determines the terms on which it will lend these dollars onward to institutions in its jurisdiction, including how the foreign central bank will allocate dollar funds to financial institutions, which institutions are eligible to borrow, and what types of collateral they may borrow against. The terms governing these loans of dollars are in all cases released to the public by the foreign central banks. As the Federal Reserve’s contractual relationship is exclusively with the foreign central bank and not with the institutions obtaining dollar funding in these operations, the Federal Reserve does not assume the credit risk associated with lending to financial institutions based in these foreign jurisdictions. The provision of dollars and receipt of foreign currency, and the receipt of dollars and return of foreign currency at the swap’s maturity date, both occur at the same foreign exchange rate so that the Federal Reserve is not exposed to movements in foreign exchange rates.
<i>Is activity under the liquidity swap arrangements disclosed to the public?</i>	Yes, swap activity is published weekly.

5. Federal Reserve Discount Window

<i>What are the major objectives of the discount window?</i>	Federal Reserve lending to depository institutions (the “discount window”) plays an important role in supporting the liquidity and stability of the banking system and the effective implementation of monetary policy. By providing ready access to funding, the discount window helps depository institutions manage their liquidity risks efficiently and avoid actions that have negative consequences for their customers, such as withdrawing credit during times of market stress. Thus, the discount window supports the smooth flow of credit to households and businesses.
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	<p>Providing liquidity in this way is one of the original purposes of the Federal Reserve System and other central banks around the world.</p> <p>The Federal Reserve Banks offer three discount window programs to depository institutions: Primary credit is for institutions in generally sound financial condition. Secondary credit is for depository institutions that do not qualify for primary credit. Seasonal credit is designed to assist small depository institutions in managing significant seasonal swings in their loans and deposits. Each program has its own interest rate, and all discount window loans are fully secured.</p>											
<p><i>What changes has the Federal Reserve announced for the discount window?</i></p>	<p>On March 15, 2020, the Federal Reserve announced changes to the discount window.</p> <p>These changes included the following:</p> <p>Narrowing the spread of the primary credit rate relative to the general level of overnight interest rates to help encourage more active use of the window by depository institutions to meet unexpected funding needs.</p> <p>Announcing that depository institutions may borrow from the discount window for periods as long as 90 days, prepayable and renewable by the borrower on a daily basis.</p>											
<p><i>What are the key features of primary credit and secondary credit?</i></p>	<table border="1"> <thead> <tr> <th data-bbox="657 1279 903 1346">Feature</th> <th data-bbox="903 1279 1147 1346">Primary Credit</th> <th data-bbox="1147 1279 1393 1346">Secondary Credit</th> </tr> </thead> <tbody> <tr> <td data-bbox="657 1346 903 1525">Rate</td> <td data-bbox="903 1346 1147 1525">The rate is set relative to the FOMC's target range for the federal funds rate.</td> <td data-bbox="1147 1346 1393 1525">Primary credit rate plus 50 basis points*.</td> </tr> <tr> <td data-bbox="657 1525 903 1921">Term</td> <td data-bbox="903 1525 1147 1921">Provided for periods as long as 90 days.</td> <td data-bbox="1147 1525 1393 1921">Short-term, usually overnight. Can be extended for a longer term if such credit would facilitate a timely return to reliance on market funding or an orderly resolution of a failing institution, subject to statutory requirements</td> </tr> </tbody> </table>			Feature	Primary Credit	Secondary Credit	Rate	The rate is set relative to the FOMC's target range for the federal funds rate.	Primary credit rate plus 50 basis points*.	Term	Provided for periods as long as 90 days.	Short-term, usually overnight. Can be extended for a longer term if such credit would facilitate a timely return to reliance on market funding or an orderly resolution of a failing institution, subject to statutory requirements
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		(FDICIA restrictions).
	Eligibility	Depository institutions in generally sound financial condition. Depository institutions that do not qualify for primary credit.
	Use	No restrictions. May be used to fund sales of federal funds. As a backup source of funding on a very short-term basis, or to facilitate an orderly resolution of serious financial difficulties.
	Administration	No questions asked. Reserve Banks will collect information necessary to confirm that borrowing is consistent with the objectives of the program.
<i>How do Reserve Banks administer the primary and secondary credit discount window programs?</i>	<p>Primary credit is extended to generally sound depository institutions at a rate set relative to the FOMC’s target range for the federal funds rate with minimal administrative burden on the borrower. Depository institutions are not required to seek funds elsewhere before requesting a discount window loan.</p> <p>Unlike primary credit, the secondary credit program is not a “minimal administration” facility. Reserve Banks will obtain sufficient information about a borrower’s financial situation and reasons for borrowing to ensure that an extension of credit complies with the conditions of the program.</p>	
<i>Are there any restrictions on the use of funds a depository institution borrows from the Federal Reserve under the primary credit program? Under the secondary credit program?</i>	<p>There are no restrictions on the use of primary credit. In particular, borrowers are not prohibited from using primary credit to finance sales of federal funds.</p> <p>Secondary credit is available to meet backup liquidity needs when its use is consistent with a timely return to a reliance on market sources of funding or the orderly resolution of a troubled institution. Secondary credit may not be used to fund an expansion of the borrower’s assets.</p>	
<i>How do Reserve Banks</i>	Eligibility for primary credit is limited to depository	



<p><i>determine which financial institutions are eligible for primary credit? For secondary credit? How often is eligibility reassessed? When are institutions notified about their eligibility?</i></p>	<p>institutions that are in generally sound financial condition. Reserve Banks determine eligibility on an ongoing basis using supervisory ratings and capitalization data; supplementary information, when available, may also be used. Essentially the same criteria that are used to determine eligibility for daylight credit are used to determine eligibility for primary credit. Institutions that do not qualify for primary credit are eligible for secondary credit. Institutions' eligibility is reassessed as new information about their condition becomes available.</p> <ul style="list-style-type: none">• Depository institutions assigned a composite CAMELS or CAMEL rating of 1, 2, or 3 (or SOSA 1 or 2 and ROCA 1, 2, or 3) that are at least adequately capitalized are eligible for primary credit unless supplementary information indicates that the institution is not generally sound.• Depository institutions assigned a composite CAMELS or CAMEL rating of 4 (or SOSA 1 or 2 and ROCA 4 or 5) are not eligible for primary credit unless an ongoing examination indicates that the institution is at least adequately capitalized and that its condition has improved sufficiently to be deemed generally sound.• Depository institutions assigned a composite CAMELS or CAMEL rating of 5 (or SOSA 3, regardless of ROCA) or that are undercapitalized are not eligible for primary credit. <p>Institutions that have executed and submitted a borrowing agreement will be notified promptly if their eligibility changes.</p>
<p><i>Does the Federal Reserve disclose the identity of institutions that borrow from the discount window?</i></p>	<p>Yes. In accordance with the provisions of the Dodd-Frank Wall Street Reform and Consumer Protection Act (Pub. L. No. 111-203), which amended the Federal Reserve Act, the Federal Reserve has changed its practices with respect to disclosure of discount window lending information. Effective for discount window loans (primary, secondary, and seasonal credit) extended on or after July 21, 2010, the Federal Reserve will publicly disclose the following information, generally about two years after a discount window loan is extended to a depository institution:</p>



	<ul style="list-style-type: none"> • The name and identifying details of the depository institution; • The amount borrowed by the depository institution; • The interest rate paid by the depository institution; and • Information identifying the types and amounts of collateral pledged in connection with any discount window loan. This disclosure requirement does not apply to collateral pledged by depository institutions that do not borrow. <p>This information is released quarterly.</p>
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6. Families First Coronavirus Response Act

<i>Paid Leave</i>	The Act provides that employees of eligible employers can receive two weeks (up to 80 hours) of paid sick leave at 100% of the employee’s pay where the employee is unable to work because the employee is quarantined, and/or experiencing COVID-19 symptoms, and seeking a medical diagnosis. An employee who is unable to work because of a need to care for an individual subject to quarantine, to care for a child whose school is closed or child care provider is unavailable for reasons related to COVID-19, and/or the employee is experiencing substantially similar conditions as specified by the U.S. Department of Health and Human Services can receive two weeks (up to 80 hours) of paid sick leave at 2/3 the employee’s pay. An employee who is unable to work due to a need to care for a child whose school is closed or child care provider is unavailable for reasons related to COVID-19, may in some instances receive up to an additional ten weeks of expanded paid family and medical leave at 2/3 the employee’s pay.
<i>Paid Sick Leave Credit</i>	For an employee who is unable to work because of Coronavirus quarantine or self-quarantine or has Coronavirus symptoms and is seeking a medical diagnosis, eligible employers may receive a refundable sick leave credit for sick leave at the employee’s regular rate of pay, up to



	\$511 per day and \$5,110 in the aggregate, for a total of 10 days.
	For an employee who is caring for someone with Coronavirus, or is caring for a child because the child’s school or child care facility is closed, or the child care provider is unavailable due to the Coronavirus, eligible employers may claim a credit for two-thirds of the employee’s regular rate of pay, up to \$200 per day and \$2,000 in the aggregate, for up to 10 days. Eligible employers are entitled to an additional tax credit determined based on costs to maintain health insurance coverage for the eligible employee during the leave period.
<i>Child Care Leave Credit</i>	In addition to the sick leave credit, for an employee who is unable to work because of a need to care for a child whose school or child care facility is closed or whose child care provider is unavailable due to the Coronavirus, eligible employers may receive a refundable child care leave credit. This credit is equal to two-thirds of the employee’s regular pay, capped at \$200 per day or \$10,000 in the aggregate. Up to 10 weeks of qualifying leave can be counted towards the child care leave credit. Eligible employers are entitled to an additional tax credit determined based on costs to maintain health insurance coverage for the eligible employee during the leave period.
<i>Prompt Payment for the Cost of Providing Leave</i>	When employers pay their employees, they are required to withhold from their employees’ paychecks federal income taxes and the employees’ share of Social Security and Medicare taxes. The employers then are required to deposit these federal taxes, along with their share of Social Security and Medicare taxes, with the IRS and file quarterly payroll tax returns (Form 941 series) with the IRS.
	Eligible employers who pay qualifying sick or child care leave will be able to retain an amount of the payroll taxes equal to the amount of qualifying sick and child care leave that they paid, rather than deposit them with the IRS.
	The payroll taxes that are available for retention include withheld federal income taxes, the employee share of Social Security and Medicare taxes, and the employer share of Social Security and Medicare taxes with respect to all employees.



	<p>If there are not sufficient payroll taxes to cover the cost of qualified sick and child care leave paid, employers will be able file a request for an accelerated payment from the IRS. The IRS expects to process these requests in two weeks or less.</p>
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7. Extension of Tax Filing and Payment

<p><i>Extension of Tax Filing and Payment Date</i></p>	<p>Following President Donald J. Trump’s emergency declaration pursuant to the Stafford Act, the U.S. Treasury Department and Internal Revenue Service (IRS) yesterday announced that the tax filings and payments for all federal income taxes (including self-employment tax) due on April 15, 2020, regardless of amount, will now be due on July 15, 2020.</p>
	<p>Taxpayers are not required to file any documentation to take advantage of this delay, and no interest or penalties will be assessed in connection with this extension.</p>
	<p>This relief only applies to federal income tax (including tax on self-employment income) payments otherwise due April 15, 2020, not state tax payments or deposits or payments of any other type of federal tax.</p>

8. Primary Market Corporate Credit Facility (“PMCCF”)

<p><i>Facility:</i></p>	<p>The Primary Market Corporate Credit Facility (“<i>Facility</i>”) will serve as a funding backstop for corporate debt issued by eligible issuers. Under the Facility, the Federal Reserve Bank of New York (“<i>Reserve Bank</i>”) will commit to lend to a special purpose vehicle (“<i>SPV</i>”) on a recourse basis. The SPV will (i) purchase qualifying bonds as sole investor in a bond issuance and (ii) purchase portions of syndicated loans or bonds at issuance. The Reserve Bank will be secured by all the assets of the SPV. The Department of the Treasury, will make a \$75 billion equity investment in the SPV to support both the Facility and the Secondary Market Corporate Credit Facility (“<i>SMCCF</i>”). The initial allocation of the equity will be \$50 billion toward the Facility and \$25</p>
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	<p>billion toward the SMCCF. The combined size of the Facility and the SMCCF will be up to \$750 billion.</p>
<p>Eligible Assets:</p>	<p><u>Eligible corporate bonds as sole investor.</u></p> <p>The Facility may purchase eligible corporate bonds as the sole investor in a bond issuance. Eligible corporate bonds must meet each of the following criteria at the time of bond purchase by the Facility:</p> <ul style="list-style-type: none">(i) Issued by an eligible issuer; and(ii) Have a maturity of four years or less. <p><u>Eligible syndicated loans and bonds purchased at issuance.</u></p> <p>Eligible syndicated loans and bonds must meet each of the following criteria at the time of purchase by the Facility:</p> <ul style="list-style-type: none">(i) issued by an eligible issuer; and(ii) have a maturity of 4 years or less. <p>The Facility may purchase no more than 25 percent of any loan syndication or bond issuance.</p>
<p>Eligible Issuers:</p>	<p>The issuer must satisfy the following conditions:</p> <ul style="list-style-type: none">(i) Is a business that is 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.(ii) Was rated at least BBB-/Baa3 as of March 22, 2020, by a major nationally recognized statistical rating organization (“<i>NRSRO</i>”). If rated by multiple major NRSROs, the issuer must be rated at least BBB-/Baa3 by two or more NRSROs as of March 22, 2020.<ul style="list-style-type: none">a. Issuers that were rated at least BBB-/Baa3 as of March 22, 2020, but are subsequently downgraded, must be rated at least BB-/Ba3 at the time the Facility makes a purchase. If rated by multiple major NRSROs, such issuers must be rated at least BB-/Ba3 by two or more NRSROs at the time the Facility makes a purchase.b. In every case, issuer ratings are subject to review by the Federal Reserve.(iii) Is not an insured depository institution or depository



	<p>institution holding company, as such terms are defined in the Dodd-Frank Act.</p> <p>(iv) Has not received specific support pursuant to the CARES Act or any subsequent federal legislation.</p> <p>(v) Must satisfy the conflicts-of-interest requirements of section 4019 of the CARES Act.</p>
<i>Limits per Issuer:</i>	<p>Issuers may approach the Facility to refinance outstanding debt, from the period of three months ahead of the maturity date of such outstanding debt. Issuers may additionally approach the Facility at any time to issue additional debt, provided their rating is reaffirmed at BB-/Ba3 or above with the additional debt by each major NRSRO with a rating of the issuer. The maximum amount of outstanding bonds or loans of an eligible issuer that borrows from the Facility may not exceed 130 percent of the issuer’s maximum outstanding bonds and loans on any day between March 22, 2019 and March 22, 2020.</p> <p>The maximum amount of instruments that the Facility and the SMCCF combined will purchase with respect to any eligible issuer is capped at 1.5 percent of the combined potential size of the Facility and the SMCCF.</p>
<i>Pricing:</i>	<p><u>Eligible corporate bonds</u></p> <p>Pricing will be issuer-specific, informed by market conditions, plus a 100 bps facility fee.</p> <p><u>Eligible syndicated loans and bonds</u></p> <p>The Facility will receive the same pricing as other syndicate members, plus a 100 bps facility fee on the Facility’s share of the syndication.</p>
<i>Program Termination:</i>	<p>The Facility will cease purchasing eligible assets no later than September 30, 2020, unless the Facility is extended by the Board of Governors of the Federal Reserve System and the Treasury Department. The Reserve Bank will continue to fund the Facility after such date until the Facility’s holdings either mature or are sold.</p>



9. Secondary Market Corporate Credit Facility (“SMCCF”)

<p><i>Facility:</i></p>	<p>Under the Secondary Market Corporate Credit Facility (“<i>Facility</i>”), the Federal Reserve Bank of New York (“<i>Reserve Bank</i>”) will lend, on a recourse basis, to a special purpose vehicle (“<i>SPV</i>”) that will purchase in the secondary market corporate debt issued by eligible issuers. The 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 (“<i>ETFs</i>”). The Reserve Bank will be secured by all the assets of the SPV. The Department of the Treasury will make an \$75 billion equity investment in the SPV to support both the Facility and the Primary Market Corporate Credit Facility (“<i>PMCCF</i>”). The initial allocation of the equity will be \$50 billion toward the PMCCF and \$25 billion toward the Facility. The combined size of the Facility and the PMCCF will be up to \$750 billion.</p>
<p><i>Eligible Assets:</i></p>	<p><u>Eligible Individual Corporate Bonds.</u></p> <p>The Facility may purchase corporate bonds that at the time of purchase by the Facility:</p> <ul style="list-style-type: none"> (i) Were issued by an eligible issuer; (ii) Have a remaining maturity of 5 years or less; and (iii) Were sold to the Facility by an eligible seller. <p><u>Eligible ETFs.</u></p> <p>The Facility also may purchase U.S.-listed ETFs whose investment objective is to provide broad exposure to the market for U.S. corporate bonds. The preponderance of ETF holdings will be of ETFs whose primary investment objective is exposure to U.S. investment-grade corporate bonds, and the remainder will be in ETFs whose primary investment objective is exposure to U.S. high-yield corporate bonds.</p>
<p><i>Eligible Issuers for Individual Corporate Bonds:</i></p>	<p>The issuer must satisfy the following conditions:</p> <ul style="list-style-type: none"> (i) Is a business that is 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.



	<p>(ii) Was rated at least BBB-/Baa3 as of March 22, 2020, by a major nationally recognized statistical rating organization (“<i>NRSRO</i>”). If rated by multiple major NRSROs, the issuer must be rated at least BBB-/Baa3 by two or more NRSROs as of March 22, 2020.</p> <p>a. An issuer that was rated at least BBB-/Baa3 as of March 22, 2020, but was subsequently downgraded, must be rated at least BB-/Ba3 as of the date on which the Facility makes a purchase. If rated by multiple major NRSROs, such an issuer must be rated at least BB-/Ba3 by two or more NRSROs at the time the Facility makes a purchase.</p> <p>(iv) Is not an insured depository institution or depository institution holding company, as such terms are defined in the Dodd-Frank Act.</p> <p>(v) Has not received specific support pursuant to the CARES Act or any subsequent federal legislation.</p> <p>(vi) Must satisfy the conflicts of interest requirements of section 4019 of the CARES Act.</p>
Leverage:	<p>The Facility will leverage the Treasury equity at 10 to 1 when acquiring corporate bonds from issuers that are investment grade at the time of purchase and when acquiring ETFs whose primary investment objective is exposure to U.S. investment-grade corporate bonds. The Facility will leverage its equity at 7 to 1 when acquiring corporate bonds from issuers that are rated below investment grade at the time of purchase and in a range between 3 to 1 and 7 to 1, depending on risk, when acquiring any other type of eligible asset.</p>
Eligible Seller:	<p>Each institution from which the Facility purchases securities must be a business that is created or organized in the United States or under the laws of the United States with significant U.S. operations and a majority of U.S.-based employees. The institution also must satisfy the conflicts-of-interest requirements of section 4019 of the CARES Act.</p>
Limits per Issuer/ETF:	<p>The maximum amount of instruments that the Facility and the PMCCF combined will purchase with respect to any eligible issuer is capped at 1.5 percent of the combined potential size of the Facility and the PMCCF.</p> <p>The maximum amount of bonds that the Facility will</p>



	<p>purchase from the secondary market of any eligible issuer is also capped at 10 percent of the issuer’s maximum bonds outstanding on any day between March 22, 2019 and March 22, 2020.</p> <p>The Facility will not purchase shares of a particular ETF if after such purchase the Facility would hold more than 20 percent of that ETF’s outstanding shares.</p>
Pricing:	<p>The Facility will purchase eligible corporate bonds at fair market value in the secondary market.</p> <p>The Facility will avoid purchasing shares of eligible ETFs when they trade at prices that materially exceed the estimated net asset value of the underlying portfolio.</p>
Program Termination:	<p>The Facility will cease purchasing eligible corporate bonds and eligible ETFs no later than September 30, 2020, unless the Facility is extended by the Board of Governors of the Federal Reserve System and the Treasury Department. The Reserve Bank will continue to fund the Facility after such date until the Facility’s holdings either mature or are sold.</p>

10. Term Asset-Backed Securities Loan (“TALF”)

Facility:	<p>The TALF is a credit facility authorized under section 13(3) of the Federal Reserve Act intended to help meet the credit needs of consumers and businesses by facilitating the issuance of asset-backed securities (“ABS”) and improving the market conditions for ABS more generally. The TALF will serve as a funding backstop to facilitate the issuance of eligible ABS on or after March 23, 2020.</p>
	<p>Under the TALF, the Federal Reserve Bank of New York (“Reserve Bank”) will commit to lend to a special purpose vehicle (“SPV”) on a recourse basis. The Department of the Treasury will make an equity investment of \$10 billion in the SPV, as described below.</p>
	<p>The TALF SPV initially will make up to \$100 billion of loans available. The loans will have a term of three years; will be nonrecourse to the borrower; and will be fully secured by eligible ABS.</p>
Eligible Borrowers:	<p>All U.S. companies that own eligible collateral and maintain an account relationship with a primary dealer are eligible to</p>



	<p>borrow under the TALF.</p> <p>A U.S. company is defined as a business that is created or organized in the United States or under the laws of the United States and that has significant operations in and a majority of its employees based in the United States.</p>
<p><i>Eligible Collateral:</i></p>	<p>Eligible collateral includes U.S. dollar denominated cash (that is, not synthetic) ABS that have a credit rating in the highest long-term or, in the case of non-mortgage backed ABS, the highest short-term investment-grade rating category from at least two eligible nationally recognized statistical rating organizations (“<i>NRSROs</i>”) and do not have a credit rating below the highest investment-grade rating category from an eligible NRSRO. All or substantially all of the credit exposures underlying eligible ABS must have been originated by a U.S. company, and the issuer of eligible collateral must be a U.S. company. With the exception of commercial mortgage-backed securities (“<i>CMBS</i>”), eligible ABS must be issued on or after March 23, 2020. CMBS issued on or after March 23, 2020, will not be eligible. For CMBS, the underlying credit exposures must be to real property located in the United States or one of its territories.</p> <p>Single-asset single-borrower CMBS and commercial real estate collateralized loan obligations are not eligible collateral and only static CLOs will be eligible collateral.</p>
	<p>Eligible collateral must be ABS where the underlying credit exposures are one of the following:</p> <ol style="list-style-type: none">1) Auto loans and leases;2) Student loans;3) Credit card receivables (both consumer and corporate);4) Equipment loans and leases;5) Floorplan loans;6) Insurance premium finance loans;7) Certain small business loans that are guaranteed by the Small Business Administration;8) Leveraged loans; or



	<p>9) Commercial mortgages.⁶</p> <p>Eligible collateral will not include ABS that bear interest payments that step up or step down to predetermined levels on specific dates. In addition, the underlying credit exposures of eligible collateral must not include exposures that are themselves cash ABS or synthetic ABS.</p> <p>To be eligible collateral, all or substantially all of the underlying credit exposures must be newly issued, except for legacy CMBS.</p> <p>The feasibility of adding other asset classes to the facility or expanding the scope of existing asset classes will be considered in the future.</p>
<i>Collateral Valuation:</i>	<p>The pledged eligible collateral will be valued and assigned a haircut according to a schedule published on April 9, 2020. The schedule provides for a haircut ranging from 5% to 22% depending on the sector and the weighted average life of the ABS.</p>
<i>Conflicts of Interest:</i>	<p>Eligible borrowers and issuers of eligible collateral will be subject to the conflicts of interest requirements of section 4019 of the CARES Act.</p>
<i>Pricing:</i>	<p>For CLOs, the interest rate will be 150 basis points over the 30-day average secured overnight financing rate (“SOFR”). For SBA Pool Certificates (7(a) loans), the interest rate will be the top of the federal funds target range plus 75 basis points. For SBA Development Company Participation Certificates (504 loans), the interest rate will be 75 basis points over the 3-year fed funds overnight index swap (“OIS”) rate. For all other eligible ABS with underlying credit exposures that do not have a government guarantee, the interest rate will be 120 basis points over the 2-year OIS rate for securities with a weighted average life less than two years, or 100 basis points over the 3-year OIS rate for securities with a weighted average life of two years or greater.</p> <p>The pricing for other eligible ABS will be set forth in the</p>

⁶ The detailed terms and conditions will further define the eligible underlying credit exposures for purposes of the TALF. The definitions are expected to be broadly consistent with the defined terms used for purposes of the TALF established in 2008.



	detailed terms and conditions.
<i>Fees:</i>	The SPV will assess an administrative fee equal to 10 basis points of the loan amount on the settlement date for collateral.
<i>Maturity:</i>	Each loan provided under this facility will have a maturity of three years.
<i>Investment by the Department of the Treasury:</i>	The Department of the Treasury, using the Exchange Stabilization Fund, will make an equity investment of \$10 billion in the SPV.
<i>Non-Recourse:</i>	Loans made under the TALF are made without recourse to the borrower, provided the requirements of the TALF are met.
<i>Prepayment:</i>	Loans made under the TALF will be pre-payable in whole or in part at the option of the borrower, but substitution of collateral during the term of the loan generally will not be allowed.
<i>Program Termination:</i>	No new credit extensions will be made after September 30, 2020, unless the TALF is extended by the Board of Governors of the Federal Reserve System and the Department of Treasury.
<i>Other Terms and Conditions:</i>	More detailed terms and conditions will be provided at a later date, primarily based off of the terms and conditions used for the 2008 TALF. In addition, the Federal Reserve reserves the right to review and make adjustments to these terms and conditions – including size of program, pricing, loan maturity, collateral haircuts, and asset and borrower eligibility requirements – consistent with the policy objectives of the TALF.

11. Increase in System Open Market Account holdings of Treasury securities and agency mortgage-backed securities

<i>Purpose:</i>	Support the flow of credit to households and businesses by addressing strains in the markets for Treasury securities and agency mortgage-backed securities.
<i>Description:</i>	The Federal Open Market Committee (“ FOMC ”) of the Federal Reserve System has directed the Open Market Desk of the New York Federal Reserve Bank (“ FRB NY ”) to: (i)



	<p>undertake open market operations as necessary to maintain the federal funds rate in a target range of 0 to 1/4 percent; (ii) increase the System Open Market Account (“<i>SOMA</i>”) holdings of Treasury securities and agency mortgage-backed securities (“<i>MBS</i>”); (iii) include purchases of agency commercial MBS in its agency MBS purchases; (iv) continue conducting term and overnight repurchase agreement operations; and (v) conduct overnight reverse repurchase operations at an offering rate of 0.00 percent, in amounts limited only by the value of Treasury securities held outright in the <i>SOMA</i> that are available for such operations and by a per-counterparty limit of \$30 billion per day.</p>
<i>Rationale:</i>	<p>Support the smooth functioning of markets for Treasury securities and agency MBS in order to achieve an effective transmission of monetary policies to broader financial conditions, ensure that the supply of reserves remains ample and support the smooth functioning of short-term U.S. dollar funding market (the overnight repurchase market).</p>

12. Key Fiscal Actions under the CARES Act (see separate summary for business tax developments)

Program Size

Treasury Secretary authorized to make loans, loan guarantees, and other investments in support of eligible businesses, States, and municipalities that do not, in the aggregate, exceed \$500 billion.

Allocation Among Industries

Passenger Air Carriers

Paragraph (1): Not more than \$25 billion to make loans and loan guarantees for passenger air carriers, eligible businesses that are certified under part 145 of title 14, Code of Federal Regulations, and approved to perform inspection, repair, replace, or overhaul services, and ticket agents (as defined in section 40102 of title 49, United States Code).

Cargo Air Carriers

Paragraph (2): Not more than \$4 billion to make loans and loan guarantees for cargo air carriers.



Businesses Critical to National Security

Paragraph (3): Not more than \$17 billion to make loans and loan guarantees for businesses critical to maintaining national security.

Lending to Eligible Businesses

Paragraph (4): Not more than the sum of \$454 billion and any amounts available under paragraphs (1), (2), and (3) that are not used as provided under those paragraphs to make loans and loan guarantees to, and other investments in, programs or facilities established by the Board of Governors of the Federal Reserve System for the purpose of providing liquidity to the financial system that supports lending to eligible businesses, States, or municipalities by

- (A) purchasing obligations or other interests directly from issuers of such obligations or other interests;
- (B) purchasing obligations or other interests in secondary markets or otherwise; or
- (C) making loans, including loans or other advances secured by collateral.

Treasury Approves Terms:	A loan, loan guarantee, or other investment by Treasury shall be made in such form and on such terms and conditions and contain such covenants, representations, warranties, and requirements (including requirements for audits) as Treasury determines appropriate.
Interest Rate:	Any loans made by Treasury shall be at a rate determined by Treasury based on the risk plus the current average yield on outstanding marketable obligations of the United States of comparable maturity.
No Forgiveness of Principal:	The principal amount of any obligation issued by an eligible business, State, or municipality under a program described herein shall not be reduced through loan forgiveness.



<p><i>No Covered Entity is Eligible:</i></p>	<p>No covered entity may be eligible for any such loan, loan guarantee or other investment.</p> <p>The term “<i>covered entity</i>” 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 (B) below) shall be aggregated.</p> <p>The term “<i>covered individual</i>” 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).</p> <p>The term “<i>controlling interest</i>” 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.</p>
<p>LOANS AND LOAN GUARANTEES UNDER PARAGRAPHS (1), (2) AND (3)</p>	
	<p>Treasury may enter into agreements to make loans or loan guarantees to one or more eligible businesses under paragraphs (1), (2) and (3) if Treasury determines that, in Treasury’s discretion—</p>
<p><i>Eligible Business</i></p>	<p>(A) the applicant is an eligible business for which credit is not reasonably available at the time of the transaction;</p>
<p><i>Prudence</i></p>	<p>(B) the intended obligation by the applicant is prudently incurred;</p>
<p><i>Pricing Reflects Risk</i></p>	<p>(C) the loan or loan guarantee is sufficiently secured or is made at a rate that— (i) reflects the risk of the loan or loan guarantee; and (ii) is to the extent practicable, not less than an interest rate based on market conditions for comparable obligations prevalent prior to the outbreak of the coronavirus disease 2019 (COVID–19);</p>
<p><i>Maximum Duration</i></p>	<p>(D) the duration of the loan or loan guarantee is as short as practicable and in any case not longer than 5 years;</p>



<i>Limitation on Purchase of Equity Securities</i>	(E) the agreement provides that, until the date 12 months after the date the loan or loan guarantee is no longer outstanding, neither the eligible business nor any affiliate of the eligible business may purchase an equity security that is listed on a national securities exchange of the eligible business or any parent company of the eligible business, except to the extent required under a contractual obligation in effect as of the date of enactment of the CARES Act;
<i>Limitation on Dividends and Other Distributions</i>	(F) the agreement provides that, until the date 12 months after the date the loan or loan guarantee is no longer outstanding, the eligible business shall not pay dividends or make other capital distributions with respect to the common stock of the eligible business;
<i>Maintain Employment</i>	(G) the agreement provides that, until September 30, 2020, the eligible business shall maintain its employment levels as of March 24, 2020, to the extent practicable, and in any case shall not reduce its employment levels by more than 10 percent from the levels on such date;
<i>Located in United States</i>	(H) the agreement includes a certification by the eligible business that it is created or organized in the United States or under the laws of the United States and has significant operations in and a majority of its employees based in the United States; and
<i>Continued Operation in Jeopardy</i>	(I) for purposes of a loan or loan guarantee under paragraphs (1), (2), and (3), the eligible business must have incurred or is expected to incur covered losses such that the continued operations of the business are jeopardized, as determined by Treasury.
<i>Compensation Limitations:</i>	Treasury may only enter into an agreement with an eligible business to make a loan or loan guarantee under paragraph (1), (2) or (3) if such agreement provides that, 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



	<p>compensation is determined through an existing collective bargaining agreement entered into prior to March 1, 2020):</p> <p>(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</p> <p>(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</p> <p>(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.</p> <p>“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.</p>
<i>Procedures to be Published:</i>	<p>As soon as practicable, but in no case later than 10 days after the date of enactment of the CARES Act, Treasury shall publish procedures for application and minimum requirements, which may be supplemented by Treasury in Treasury’s discretion, for making loans, loan guarantees, or other investments under paragraphs (1), (2) and (3).</p>
<i>Consideration:</i>	<p>Treasury may not issue a loan to, or a loan guarantee for, an eligible business under paragraph (1), (2), or (3) unless:</p> <p>(A)(i) the eligible business has issued securities that are traded on a national securities exchange; and (ii)</p>



	<p>Treasury receives a warrant or equity interest in the eligible business; or</p> <p>(B) in the case of any eligible business other than an eligible business described in subparagraph (A), Treasury receives, in the discretion of Treasury— (i) a warrant or equity interest in the eligible business⁷; or (ii) a senior debt instrument issued by the eligible business.</p> <p>The terms and conditions of any warrant, equity interest, or senior debt instrument so received shall be set by Treasury and shall meet the following requirements:</p> <p>(A) Such terms and conditions shall be designed to provide for a reasonable participation by Treasury, for the benefit of taxpayers, in equity appreciation in the case of a warrant or other equity interest, or a reasonable interest rate premium, in the case of a debt instrument.</p> <p>(B) For the primary benefit of taxpayers, Treasury may sell, exercise, or surrender a warrant or any senior debt instrument received under this subsection. Treasury shall not exercise voting power with respect to any shares of common stock acquired under this provision.</p> <p>(C) If Treasury determines that the eligible business cannot feasibly issue warrants or other equity interests as required by this subsection, Treasury may accept a senior debt instrument in an amount and on such terms as Treasury deems appropriate.</p>
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⁷ Treasury directed to prescribe such regulations or guidance as may be necessary or appropriate to carry out the purposes of this section, including guidance providing that the acquisition of warrants, stock options, common or preferred stock or other equity under this section does not result in an ownership change for purposes of Section 382 of the Internal Revenue Code of 1986 [which limits use of net operating loss carryforwards and other tax assets arising prior to certain changes in ownership].



LOANS AND LOAN GUARANTEES UNDER PARAGRAPH (4)	
[Superseded by Main Street Lending Programs]	
<i>Program to Finance Bank Loans to Medium-Sized Businesses:</i>	Treasury shall endeavor to seek the implementation of a program or facility described in paragraph (4) that provides financing to banks and other lenders that make direct loans to eligible businesses including, to the extent practicable, nonprofit organizations, with <u>between 500 and 10,000 employees</u> . Federal Reserve may structure the program to take advantage of public or private leverage in order to increase the total funds available.
<i>Direct Loans:</i>	<p>“<i>Direct loan</i>” means a loan under a bilateral loan agreement that is:</p> <p>(I) entered into directly with an eligible business as borrower; and</p> <p>(II) not part of a syndicated loan, a loan originated by a financial institution in the ordinary course of business, or a securities or capital markets transaction.</p>
<i>Interest Rate:</i>	An annualized interest rate that is not higher than 2 percent per annum
<i>United States Businesses</i>	<p>A program or facility in which Treasury makes a loan, loan guarantee, or other investment under paragraph (4) shall only purchase obligations or other interests (other than securities that are based on an index or that are based on a diversified pool of securities) from, or make loans or other advances to, businesses:</p> <p>(1) that are created or organized in the United States or under the laws of the United States and</p> <p>(2) that have significant operations in and a majority of its employees based in the United States.</p>
<i>Eligible Borrower:</i>	<p>Any eligible borrower applying for a direct loan must make a good-faith certification that:</p> <p>(I) the uncertainty of economic conditions as of the date of the application makes necessary the loan request to support the ongoing operations of the recipient;</p> <p>(II) the funds it receives will be used to retain at least</p>



	<p>90 percent of the recipient’s workforce, at full compensation and benefits, until September 30, 2020;</p> <p>(III) the recipient intends to restore not less than 90 percent of the workforce of the recipient that existed as of February 1, 2020, and to restore all compensation and benefits to the workers of the recipient no later than 4 months after the termination date of the public health emergency declared by Treasury of Health and Human Services on January 31, 2020, under section 319 of the Public Health Services Act (42 U.S.C. 247d) in response to COVID-19;</p> <p>(IV) the recipient is an entity or business that is domiciled in the United States with significant operations and employees located in the United States;</p> <p>(V) the recipient is not a debtor in a bankruptcy proceeding;</p> <p>(VI) the recipient is created or organized in the United States or under the laws of the United States and has significant operations in and a majority of its employees based in the United States;</p> <p>(VII) the recipient will not pay dividends with respect to the common stock of the eligible business, or repurchase an equity security that is listed on a national securities exchange of the recipient or any parent company of the recipient while the direct loan is outstanding, except to the extent required under a contractual obligation that is in effect as of the date of enactment of the CARES Act;</p> <p>(VIII) the recipient will not outsource or offshore jobs for the term of the loan and 2 years after completing repayment of the loan;</p> <p>(IX) the recipient will not abrogate existing collective bargaining agreements for the term of the loan and 2 years after completing repayment of the loan; and</p> <p>(X) that the recipient will remain neutral in any union organizing effort for the term of the loan.</p>
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<p><i>Limitation on Equity Repurchases:</i></p>	<p>Treasury may make a loan, loan guarantee, or other investment under paragraph (4) as part of a program or facility that provides direct loans (except pursuant to a waiver necessary to protect the interests of the Federal government) only if the applicable eligible businesses agree—</p> <p>(I) until the date 12 months after the date on which the direct 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 the date of enactment of the CARES Act;</p> <p>(II) until the date 12 months after the date on which the direct 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</p> <p>(III) to comply with the limitations on compensation described above.</p>
<p><i>Section 13(3) of the Federal Reserve Act:</i></p>	<p>Board has established policies and procedures governing emergency lending under Section 13(3). Such policies and procedures shall be designed to ensure that any emergency lending program or facility is for the purpose of providing liquidity to the financial system, and not to aid a failing financial company, and that the security for emergency loans is sufficient to protect taxpayers from losses and that any such program is terminated in a timely and orderly fashion. The policies and procedures established by the Board shall require that a Federal reserve bank assign, consistent with sound risk management practices and to ensure protection for the taxpayer, a lendable value to all collateral for a loan executed by a Federal reserve bank under Section 13(3) in determining whether the loan is secured satisfactorily for purposes of Section 13(3).</p>



	<p>The Board shall establish procedures to prohibit borrowing from programs and facilities by borrowers that are insolvent. Such procedures may include a certification from the chief executive officer (or other authorized officer) of the borrower, at the time the borrower initially borrows under the program or facility (with a duty by the borrower to update the certification if the information in the certification materially changes), that the borrower is not insolvent. A borrower shall be considered insolvent for purposes of this subparagraph, if the borrower is in bankruptcy, resolution under title II of the Dodd-Frank Wall Street Reform and Consumer Protection Act, or any other Federal or State insolvency proceeding.</p>
	<p>A program or facility that is structured to remove assets from the balance sheet of a single and specific company, or that is established for the purpose of assisting a single and specific company avoid bankruptcy, resolution under title II of the Dodd-Frank Wall Street Reform and Consumer Protection Act, or any other Federal or State insolvency proceeding, shall not be considered a program or facility with broad-based eligibility.</p>
<p><i>Payment Holiday for Direct Loans:</i></p>	<p>For the first 6 months after any such direct loan is made, or for such longer period as Treasury may determine in his discretion, no principal or interest shall be due and payable.</p>

13. Paycheck Protection Program (“PPP”)

<p><i>Small Business Concerns and Others Benefit:</i></p>	<p>The PPP covers eligible small business concerns⁸, business concerns, nonprofit organizations, veterans organizations individuals who operate as sole proprietors or independent contractors, self-employed individuals and Tribal business concerns.</p>
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⁸ “Small business concerns” are for-profit, independently owned and operated entities that are not dominant in their field of operation, and that meet the size requirements under the relevant SBA program. Nonprofits that receive Medicaid reimbursements are not eligible to receive loans under the PPP.



<i>Availability:</i>	Loans under the PPP are available to eligible recipients through June 30, 2020, with streamlined eligibility criteria and without any collateral or personal guarantee.
<i>Delegated Authority to SBA Lenders:</i>	Existing SBA lenders are delegated the authority to approve and make loans to eligible recipients that (a) were in operation on February 15, 2020, and (b) had employees to which they paid salaries and for which they paid payroll taxes, or that paid independent contractors.
<i>Borrower Certifications:</i>	Borrowers also need to make good-faith certifications that (a) current economic uncertainty makes the loan necessary to support ongoing operations, (b) the proceeds are used for retaining workers, maintaining payroll or covering existing overhead costs, but would not need to show that credit was unavailable elsewhere, and (c) they have not applied for or received amounts under the same facility for the same purpose.
<i>Use of Proceeds:</i>	Loan proceeds can be used for payroll support (including group health costs and insurance premiums), employee salaries, mortgage interest or rent payments, utility payments, and interest on existing debt obligations, rather than just the capital costs allowable under existing SBA Section 7(a) programs.
<i>Interest Rate:</i>	The loans will be at an interest rate equal to 1%, with all loan fees, as well as collateral and personal guarantee requirements and subsidy recoupment fees, waived, and with 100% of loans guaranteed by the federal government.
<i>Non-Recourse Lending:</i>	Lending is on a nonrecourse basis, unless an individual member of the borrower misuses the loan proceeds.



<p>Employee Size Standards:</p>	<p>The PPP includes a limit on the size of eligible recipients—the greater of 500 employees or the existing SBA employee or revenue size standard for the industry in which the borrower operates.</p> <p>Additionally, a business can qualify if it met both tests in SBA’s “alternative size standard” as of March 27, 2020: (1) maximum tangible net worth of the business is not more than \$15 million; and (2) the average net income after Federal income taxes (excluding any carry-over losses) of the business for the two full fiscal years before the date of the application is not more than \$5 million.</p>
	<p>In applying these size guidelines, there are exceptions to the existing affiliation rules for (a) accommodations and food services business concerns with no more than 500 employees, (b) business concerns operating as franchises, and (c) business concerns that receive funding from small business investment companies.</p>
	<p>Other than these exceptions, the existing SBA affiliation rules continue to apply to loans under the PPP. Under SBA regulations, businesses are affiliated when “one controls or has the power to control the other”. Many private equity firms and their portfolio companies would not qualify based on the application of this affiliation rule. In addition, the affiliation rule results in companies with minority investors having only negative control over matters involving ordinary business operations being deemed to be controlled by those investors. Difficult even for venture capital investors. Relevant standards set forth at 13 CFR 121.301.⁹</p>
	<p>In addition, business concerns in the accommodations and food services industries that have more than one physical location and no more than 500 employees at each location are eligible to receive a loan under the PPP.</p>

⁹ If a minority shareholder in a business irrevocably waives or relinquishes any existing rights specified in 13 C.F.R. 121.301(f)(1), the minority shareholder would no longer be an affiliate of the business (assuming no other relationship that triggers the affiliation rules).



	Separately, the Act would rescind the interim final affiliation rules, which the SBA published on February 10, 2020.
Loan Amounts:	The PPP would authorize loan amounts up to the lesser of (a) \$10 million or (b) 2.5 times average monthly payroll costs incurred in the one-year period before the loan is made (or shorter period in case of seasonal business or employer that was not in business between February and June 2019) ¹⁰ , plus the value of any outstanding amount under any existing EIDL loan received after January 31, 2020— <u>i.e.</u> , PPP loans can be used to repay or refinance certain existing EIDL loans.
Payroll Costs:	The PPP sets out a comprehensive definition of “payroll costs” (<u>e.g.</u> salary, cash tips, leave benefits, insurance and retirement benefits)—a definition that excludes (a) any compensation for individual employees in excess of a salary of \$100,000, as prorated for the period from February 15 to June 30, 2020 ¹¹ , and (b) compensation paid to employees residing outside the United States.
	For sole proprietors and independent contractors, “payroll costs” are similarly defined, and include any annual compensation, commissions or other similar payments up to \$100,000, as prorated for the period from February 15 to June 30, 2020.

¹⁰ Borrowers can calculate their aggregate payroll costs using data either from the previous 12 months or from calendar year 2019. For seasonal businesses, the applicant may use average monthly payroll for the period between February 15, 2019, or March 1, 2019, and June 30, 2019. An applicant that was not in business from February 15, 2019 to June 30, 2019 may use the average monthly payroll costs for the period January 1, 2020 through February 29, 2020. Borrowers may use their average employment over the same time periods to determine their number of employees, for the purposes of applying an employee-based size standard. Alternatively, borrowers may elect to use SBA’s usual calculation: the average number of employees per pay period in the 12 completed calendar months prior to the date of the loan application (or the average number of employees for each of the pay periods that the business has been operational, if it has not been operational for 12 months).

¹¹ The exclusion of compensation in excess of \$100,000 annually applies only to cash compensation, not to non-cash benefits, including: employer contributions to defined-benefit or defined-contribution retirement plans; payment for the provision of employee benefits consisting of group health care coverage, including insurance premiums; and payment of state and local taxes assessed on compensation of employees.



	<p>There are special provisions for seasonal businesses and businesses that were not in operation between February 15 and June 30, 2019.</p>
<p>Deferral:</p>	<p>Lenders are required to defer payments on PPP loans for between six months and one year, with the Small Business Administration to issue deferment guidance to lenders within 30 days of enactment.</p>
<p>Potential Forgiveness:</p>	<p>The portion of loans used to cover payroll, mortgage, rent or utility costs from February 15 to June 30, 2020 are eligible for forgiveness, with the forgiven amount nontaxable. The amount of forgiveness of a PPP loan depends on the borrower’s payroll costs over an eight-week period; which begins on the date the lender makes the first disbursement of the PPP loan to the borrower.</p>
<p>Employment Incentives:</p>	<p>In order to incentivize the retention of employees at existing salaries, the amount of loan forgiveness is reduced by:</p>
	<ul style="list-style-type: none">• Any reduction in the average number of monthly full-time equivalent (“<i>FTE</i>”) employees employed by the loan recipient during the eight weeks following disbursement of the loan (the “<i>covered period</i>”) as compared to the average number of monthly <i>FTE</i> employees employed by the recipient during, at the recipient’s election, either the period between February 15 and June 30, 2019 or the period between January 1 and February 29, 2020 (the “<i>reference period</i>”), with special rules for seasonal employers; for example, if the recipient had an average of 95 <i>FTE</i> employees during the covered period and an average of 100 <i>FTE</i> employees during the reference period, then the recipient would only be entitled to 95% of the loan forgiveness that would otherwise be available; and



	<ul style="list-style-type: none"> The amount of any reduction in total salary or wages of any employee during the covered period that is in excess of 25% of the total salary or wages of the employee during the most recent full quarter during which the employee was employed (taking into account only employees who did not receive, during any single pay period in 2019, wages or salary at an annualized rate of pay in an amount more than \$100,000).
	In order to incentivize the rehiring of employees and the reversal of any recent salary reductions, loan forgiveness will be determined without regard to the reduction in the number of FTEs of a loan recipient and any reduction in salary or wages of employees of a loan recipient, in each case in between February 15, 2020 and 30 days after enactment of the CARES Act, that is eliminated prior to June 30, 2020
	There are detailed application and documentation requirements for borrowers seeking forgiveness, with lenders required to decide any such application within 60 days, with forgiveness capped at the amount of the loan principal.
	To limit lender exposure, the SBA is required to remit the forgiven amounts to lenders within 90 days of the lender determining the amount of forgiveness.
	Lenders can report anticipated forgiveness amounts to the SBA in advance of a formal determination, with the SBA required to purchase these reported amounts, including on a pooled basis, within five days.
	There is a hold harmless provision insulating lenders from enforcement action or penalties with respect to forgiveness where the lender received verified documentation from an eligible recipient.
Processing Compensation; 0% Risk Weight	Other forms of lender protection include (a) reimbursement by the SBA for processing at a rate of 1% to 5% of the financing amount outstanding at the time of loan disbursement, depending on loan size and (b) risk weighting of 0% for PPP loans in connection with the calculation of risk-based capital requirements.



No Secondary Sales:	The sale of PPP loans on the secondary market is prohibited until a borrower requested forgiveness (<i>i.e.</i> , only the remaining, non-forgiven balance could be sold on the secondary market), and the SBA is required to fully guarantee the non-forgiveness balance of the loans, the maximum maturity of which is 10 years.
SBA Administration:	The Small Business Administration will administer the PPP, with existing SBA lenders given the authority to make and approve loans thereunder. The authority to make these loans can be extended to additional Lenders upon determination of the Small Business Administration and the Secretary of the Treasury.

14. Paycheck Protection Program Lending Facility

Purpose:	Facilitate lending under the Paycheck Protection Program (“ <i>PPP</i> ”) by providing financing to PPP lenders.
Facility:	Federal Reserve Banks (“ <i>Reserve Banks</i> ”) will lend to eligible borrowers located in their district on a non-recourse basis, taking PPP loans as collateral.
Eligible Borrowers:	All depository institutions that originate PPP loans.
Eligible Collateral:	Only PPP loans guaranteed by the Small Business Administration (“ <i>SBA</i> ”).
Collateral Valuation:	Principal amount of the pledged PPP loan.
Loans size:	Equal to the principal amount of the pledged PPP loan.
Maturity:	The maturity date will equal the maturity date of the PPP loan pledged to secure the extension of credit.
Acceleration of Maturity:	The maturity date will be accelerated if: (i) the underlying PPP Loan goes into default and the eligible borrower sells the PPP Loan to the SBA to realize on the SBA guarantee; and (ii) to the extent any loan forgiveness reimbursement is received by the eligible borrower from the SBA.
Rate:	0.35%
Fees:	None.



Regulatory Capital Treatment:	Capital rules of the Board of Governors of the Federal Reserve System, Office of the Comptroller of the Currency, and the Federal Deposit Insurance Corporation have been amended by interim final rule to allowing banking organizations to neutralize the effect of PPP loans financed under the Facility on leverage capital ratios because there is no credit or market risk in association with PPP loans pledged to the Facility.
Facility Termination:	September 30, 2020, unless the Board of Governors of the Federal Reserve System and the Treasury Department extend the Facility.

15. Main Street Expanded Loan Facility

Purpose:	Facilitate lending to small and medium-sized businesses by Eligible Lenders.
Description	Under the Main Street Expanded Loan Facility (the “ Facility ”) and the Main Street New Loan Facility (“ MSNLF ”), a Federal Reserve Bank (“ Reserve Bank ”) will commit to lend to a single common special purpose vehicle (“ SPV ”) on a recourse basis. The SPV will purchase 95% participations in the upside tranche of Eligible Loans from Eligible Lenders at par value, provided it is upsized on or after April 8, 2020. Eligible Lenders would retain 5% of the upside tranche of each Eligible Loan. The Department of the Treasury will make a \$75 billion equity investment in the single common SPV in connection with the Facility and the MSNLF.
Eligible Lenders:	All U.S. insured depository institutions, U.S. bank holding companies, and U.S. savings and loan holding companies.
Eligible Borrowers:	Businesses: <ul style="list-style-type: none"> (i) with up to 10,000 employees or up to \$2.5 billion in 2019 annual revenues; (ii) 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;



	(iii) that do not participate in the MSNLF or the Primary Market Corporate Credit Facility (PMCCF).
Eligible Loans:	<p>Term loans made by an Eligible Lender(s) to an Eligible Borrower that was originated before April 8, 2020, provided that the upside tranche of the loan has the following features:</p> <ul style="list-style-type: none">(i) 4 year maturity;(ii) Amortization of principal and interest deferred for one year;(iii) Adjustable rate of SOFR + 250-400 basis points;(iv) Minimum loan size of \$1 million;(v) Maximum loan size that is the lesser of (i) \$150 million, (ii) 30% of the Eligible Borrower's existing outstanding and committed undrawn bank debt, or (iii) an amount that, when added to the Eligible Borrower's existing outstanding and committed but undrawn debt, does not exceed six times the Eligible Borrower's 2019 EBITDA; and(vi) Prepayment permitted without penalty.
Collateral:	Any collateral securing an Eligible Loan, whether such collateral was pledged under the original terms of the Eligible Loan or at the time of upsizing, will secure the loan participation on a pro rata basis.
Attestations required:	The following attestations will be required with respect to the upsized tranche of each Eligible Loan:
	1) The Eligible Lender must attest that the proceeds of the upsized tranche of Eligible Loan will not be used to repay or refinance pre-existing loans or lines of credit made by the Eligible Lender to the Eligible Borrower, including the pre-existing portion of the Eligible Loan;
	2) The Eligible Borrower must commit to refrain from using the proceeds of the upsized tranche of the Eligible Loan to repay other loan balances.



	<p>3) The Eligible Borrower must commit to refrain from repaying other debt of equal or lower priority, with the exception of mandatory principal payments, unless the Eligible Borrower has first repaid the Eligible Loan in full;</p>
	<p>4) The Eligible Lender must attest that it will not cancel or reduce any existing lines of credit outstanding to the Eligible Borrower. The Eligible Borrower must 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;</p>
	<p>5) The Eligible Borrower must attest that it requires financing due to the exigent circumstances presented by the COVID-19 pandemic, and that, using the proceeds of the upsized tranche of the Eligible Loan, it will make reasonable efforts to maintain its payroll and retain its employees during the term of the upsized tranche of the Eligible Loan.</p>
	<p>6) The Eligible Borrower must attest that the Eligible Loan, when added to the Eligible Borrower's existing outstanding and committed but undrawn debt, does not exceed four times the Eligible Borrower's 2019 EBITDA;</p>
	<p>7) The Eligible Borrower must 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.</p>
	<p>8) Eligible Lenders and Eligible Borrowers will each be required to 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.</p>
<p><i>Loan Upsizing and Servicing:</i></p>	<p>An Eligible Borrower will pay an Eligible Lender an origination fee of 100 basis points of the principal amount of the upsized tranche of the Eligible Loan at the time of upsizing. The SPV will pay an Eligible Lender 25 basis points of the principal amount of its participation in the upsized tranche of the Eligible Loan per annum for loan servicing.</p>



Facility Termination:	The SPV will cease purchasing participations in Eligible Loans on September 30, 2020 unless the Board of Governors of the Federal Reserve System and the Treasury Department extend the Facility. The Reserve Bank will continue to fund the SPV after such date until the SPV’s underlying assets mature or are sold.
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16. Main Street New Loan Facility

Purpose:	Facilitate lending to small and medium-sized businesses by Eligible Lenders.
Facility:	Under the Main Street New Loan Facility (the “ Facility ”) and the Main Street Expanded Loan Facility (“ MSELF ”), a Federal Reserve Bank (“ Reserve Bank ”) will commit to lend to a single common special purpose vehicle (“ SPV ”) on a recourse basis. The SPV will purchase 95% participations in Eligible Loans from Eligible Lenders. Eligible Lenders would retain 5% of each Eligible Loan. The Department of the Treasury will make a \$75 billion equity investment in the single common SPV in connection with the Facility and the MSELF.
Eligible Lenders:	All U.S. insured depository institutions, U.S. bank holding companies, and U.S. savings and loan holding companies.
Eligible Borrowers:	<p>Businesses:</p> <ul style="list-style-type: none"> (i) with up to 10,000 employees or up to \$2.5 billion in 2019 annual revenues; (ii) 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; (iii) that do not participate in the MSELF or the Primary Market Corporate Credit Facility (PMCCF).
Eligible Loans:	Unsecured term loans made by an Eligible Lender(s) to an Eligible Borrower that was originated on or after April 8, 2020, provided that the loan has the following



	<p>features:</p> <ul style="list-style-type: none"> (i) 4 year maturity; (ii) Amortization of principal and interest deferred for one year; (iii) Adjustable rate of SOFR + 250-400 basis points; (iv) Minimum loan size of \$1 million; (v) Maximum loan size that is the lesser of (i) \$25 million or (ii) an amount that, when added to the Eligible Borrower’s existing outstanding and committed but undrawn debt, does not exceed four times the Eligible Borrower’s 2019 EBITDA; and (vi) Prepayment permitted without penalty.
<i>Attestations required:</i>	The following attestations will be required with respect to each Eligible Loan:
	1) The Eligible Lender must attest that the proceeds of the Eligible Loan will not be used to repay or refinance pre-existing loans or lines of credit made by the Eligible Lender to the Eligible Borrower;
	2) The Eligible Borrower must commit to refrain from using the proceeds of the Eligible Loan to repay other loan balances.
	3) The Eligible Borrower must commit to refrain from repaying other debt of equal or lower priority, with the exception of mandatory principal payments, unless the Eligible Borrower has first repaid the Eligible Loan in full;
	4) The Eligible Lender must attest that it will not cancel or reduce any existing lines of credit outstanding to the Eligible Borrower. The Eligible Borrower must 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;
	5) The Eligible Borrower must 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.
	6) The Eligible Borrower must attest that the Eligible Loan, when added to the Eligible Borrower's existing outstanding and committed but undrawn debt, does not exceed four times the Eligible Borrower's 2019 EBITDA;
	7) The Eligible Borrower must 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.
	8) Eligible Lenders and Eligible Borrowers will each be required to 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.
Facility Fee:	Eligible Lender will pay the SPV a facility fee of 100 basis points of the principal amount of the loan participation purchased by the SPV. The Eligible Lender may require the Eligible Borrower to pay this fee.
Loan Origination and Servicing:	An Eligible Borrower will pay an Eligible Lender an origination fee of 100 basis points of the principal amount of the Eligible Loan. The SPV will pay an Eligible Lender 25 basis points of the principal amount of its participation in the Eligible Loan per annum for loan servicing.
Facility Termination:	The SPV will cease purchasing participations in Eligible Loans on September 30, 2020 unless the Board of Governors of the Federal Reserve System and the Treasury Department extend the Facility. The Reserve Bank will continue to fund the SPV after such date until the SPV's underlying assets mature or are sold.