CARES Act and Federal Reserve Funding Alternatives[i]

Summary of Certain Key Provisions

	PPP	EIDL[ii]	MSNLF	MSPLF	MSELF	PMCCF
A. Eligibility Criteria						
Nature of Program	Established and funded pursuant to CARES Act §1102, the Paycheck Protection Program (PPP) is an expansion of the SBA's §7(a) loan program and is intended to keep small businesses solvent and workers on payrolls. The loans are fully guaranteed by the Small Business Administration (SBA) and, may be fully forgiven when used for payroll costs, interest on mortgages, rent, and utilities. The total amount of funding that has been allocated to the PPP to-	The Economic Injury Disaster Loan program (EIDL) is part of the SBA's §7(b) loan program and is intended to extend low-interest credit to small businesses and non-profits, among others, that are impacted by disasters. The CARES Act waives certain requirements typically required to be eligible for an EIDL loan and expands eligibility to include, among others, businesses with not more than 500 employees, and	Established by the Federal Reserve Board pursuant to Section 13(3) of the Federal Reserve Act, with a $75 billion equity investment by the Department of Treasury using funds authorized under CARES Act §4003(b)(4). Under the Main Street Lending Program, a single common special purpose vehicle (SPV) established by the Federal Reserve Bank of Boston (which will be the lead Reserve Bank for the Main Street Lending Program), will be used to fund all three facilities. The combined size of all three facilities under the Main Street Lending Program will be up to	The Main Street Priority Loan Facility (MSPLF) is one of the three lending facilities under the Federal Reserve's Main Street Lending Program, and facilitates new loans to eligible borrowers by eligible lenders. It differs from the MSNLF, in that it allows borrowers to have higher leverage amounts (6x adjusted 2019 EBITDA compared to 4x adjusted 2019 EBITDA), but requires lenders to retain a higher percentage of participation in the eligible loans. The SPV is the same one used for the MSNLF and the MSELF. The SPV will purchase 85% participations in eligible loans from eligible lenders made to	The Main Street Expanded Loan Facility (MSELF) is one of the three lending facilities under the Federal Reserve's Main Street Lending Program, and is designed to supplement an existing loan facility from the eligible lender to an eligible borrower. The SPV is the same one used for the MSNLF and the MSPLF. The SPV will purchase 95% participations in eligible loans from eligible lenders made to eligible borrowers, with the lenders retaining the remaining 5%.	Established by the Federal Reserve Board pursuant to Section 13(3) of the Federal Reserve Act, with a $75 billion equity investment by the Department of the Treasury using funds authorized under CARES Act §4003(b)(4). The Primary Market Corporate Credit Facility (PMCCF) is intended to serve as a funding backstop for investment grade companies. Using a special purpose vehicle (SPV), the Federal Reserve will (i) purchase eligible corporate bonds as the sole investor in a bond issuance, and (ii) purchase portions of syndicated

i Financing facilities established by the Federal Reserve are separately authorized under Section 13(3) of the Federal Reserve Act apart from the CARES Act. Congress has authorized the Department of Treasury to make equity contributions to the Federal Reserve's facilities using CARES Act authorized funds through the Economic Stabilization Fund. The Federal Reserve, in turn, has adopted certain requirements and restrictions mandated under the CARES Act in the terms and conditions of the Federal Reserve's facilities.

ii For a summary of EIDL and PPP programs, see https://www.arnoldporter.com/en/perspectives/publications/2020/03/small-business-loan-relief-from-cares-act.

	PPP	EIDL[ii]	MSNLF	MSPLF	MSELF	PMCCF
	date is approximately $660 billion. The Federal Reserve has a credit facility available to lenders under the PPP, established pursuant to the Federal Reserve's authority under Section 13(3) of the Federal Reserve Act.	independent contractors. The CARES Act also introduces emergency EIDL grants of up to $10,000.	$600 billion. The Department of Treasury will make a $75 billion equity investment in the SPV. The Main Street Lending Program was established to facilitate lending to small and medium-sized businesses by eligible lenders and supplement the loan programs of the SBA. The Main Street Lending Program is not operational as of the date of this Advisory. The Main Street New Loan Facility (MSNLF) is one of the three lending facilities under the Federal Reserve's Main Street Lending Program, and facilitates new loans to eligible borrowers by eligible lenders. Under the MSNLF, the SPV will purchase 95% participations in eligible loans (made by eligible borrowers) from eligible lenders, with the lenders retaining the remaining 5%.	eligible borrowers, with the lenders retaining the remaining 15%.		loans or bonds at issuance. BlackRock Financial Markets Advisory to serve as initial investment manager. The SPV will be funded by a loan commitment of the Federal Reserve Bank of New York (which will be the lead Reserve Bank for the PMCCF) and a $75 billion equity investment by the Department of the Treasury. The $75 billion equity will be leveraged to create a total investment pool of up to $750 billion. The PMCCF is not yet operational as of the date of this Advisory.

	PPP	EIDL[ii]	MSNLF	MSPLF	MSELF	PMCCF
Type of Loan	The unforgiven portion is an unsecured two-year term loan.	Up to 30-year term loan, which is unsecured if under $25,000, funded by US Treasury pursuant to the SBA's Disaster Assistance Program.	New secured or unsecured term loan, with a four year maturity, made by an eligible lender to an eligible borrower and originated after April 24, 2020.	As per MSNLF.	Upsizing of existing term loan or revolving credit facility made by an eligible lender to an eligible borrower originated on or before April 24, 2020, and that has remaining maturity of at least 18 months (taking into account any adjustments made to maturity of loan after April 24, including at time of upsizing). Must be secured if upsized debt is secured.	Corporate bonds and syndicated loans for investment grade issuers. Bonds must be rated at least BB-/Ba3 at the time of purchase by SPV. Bonds can be in registered public offering or privately placed.
Minimum and maximum amount of eligible funding	Subject to exceptions, the lesser of (i) $10 million and (ii) the sum of (a) 2.5 times the average total monthly payroll costs for 2019 or the 12-month period prior to the loan date (different periods apply for borrowers that were not operational between February 15, 2019 and June 30, 2019, and for borrowers that employ seasonal workers), and (b) the outstanding amount of any EIDL loan made between January	Maximum: $2 million, limited based on factors such as the economic injury suffered, business interruption insurance and other recoveries, and funding ability from the business, its owners and affiliates. If a business is a major source of employment, SBA has authority to waive the $2 million statutory limit.	Minimum: $500,000. Maximum: lesser of (i) $25 million or (ii) amount, when added to borrower's existing outstanding and undrawn available debt, does not exceed 4x borrower's 2019 adjusted EBITDA.	Minimum: $500,000. Maximum: lesser of (i) $25 million or (ii) amount, when added to borrower's existing outstanding and undrawn available debt, does not exceed 6x borrower's 2019 adjusted EBITDA.	Minimum: $10 million. Maximum: least of (i) $200 million, (ii) 35% of borrower's existing outstanding and undrawn available debt that is pari passu in priority, from security perspective, with MSELF debt, or (iii) an amount that, when added to borrower's existing outstanding and undrawn available debt, does not exceed 6x such borrower's 2019 adjusted EBITDA.	Minimum: no required minimum, although using the PMCCF for small amounts or small percentages is discouraged. Maximum: the maximum portion of syndicated loans or bonds at issuance that SPV will purchase is 25% of loan syndication or bond issuance. The maximum amount of outstanding bonds or loans of an issuer borrowing from PMCCF may not exceed 130% of the issuer's maximum outstanding bonds and loans on any day between March 22, 2019 and March 22, 2020.

	PPP	EIDL[ii]	MSNLF	MSPLF	MSELF	PMCCF
	31, 2020 and April 3, 2020 to be refinanced. Payroll costs do not include compensation of an employee in excess of $100,000 per year (limitation applies to cash compensation only). The Treasury Department has issued guidance on how to calculate maximum loan amount by business type.[iii]					(Limit calculated at consolidated top-tier parent level.) The maximum amount of instruments that the PMCCF and a related secondary facility (SMCCF) combined will purchase in an issuer is 1.5% of the $750 billion combined size of the PMCCF and SMCCF programs. (Limit calculated at consolidated top-tier parent level.)
Employees	Eligibility criteria include, in addition to any "small business concern" under preexisting SBA rules (based on norms applicable to the relevant industry and the average number of employees over the past 12 months or the average annual receipts over the past three years), any business concern, nonprofit organization, veterans organization, or Tribal business concern	Traditional EIDL loans are available to "small business concerns" under preexisting SBA rules (see PPP column), private nonprofit organizations and agricultural cooperatives. CARES Act expands to include (i) businesses, ESOPs, cooperatives, and tribal small business concerns with not more than 500 employees,	Either (i) 15,000 or fewer employees or (ii) 2019 annual revenues of $5 billion or less.	As per MSNLF.	As per MSNLF.	No numerical limitations. Issuer must have a majority of its employees based in the US.

iii See https://home.treasury.gov/system/files/136/How-to-Calculate-Loan-Amounts.pdf

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	that employs no more than the greater of (i) 500 employees, (ii) if applicable, the size standard in number of employees established by the SBA for the industry in which such concern or organization operates, or (iii) for business with NAICS code beginning with 72 (accommodation and food services industry), not more than 500 employees per physical location of the business.	and (ii) individuals operating as a sole proprietorship or independent contractor.				
Revenue	Eligibility is tied to revenue of business if eligibility is based on “small business concern” under existing SBA rules.	Eligibility is tied to revenue of business if eligibility is based on “small business concern” under existing SBA rules.	Either (i) 15,000 or fewer employees or (ii) 2019 annual revenues of $5 billion or less.	As per MSNLF.	As per MSNLF.	N/A
Other borrower eligibility criteria	N/A	Borrower must demonstrate: credit history acceptable to SBA; ability to repay the loan; business was in operation as of January	• Borrower must generally be an entity established prior to March 13, 2020 that is organized for profit as a partnership, a LLC, a	As per MSNLF.	• As per MSNLF. • Upsized loan must have had internal risk rating equivalent to a “pass” in Federal Financial Institutions Examination	• Issuer must be a business created or organized in the US or under US law. Issuer must have significant operations in and a

	PPP	EIDL[ii]	MSNLF	MSPLF	MSELF	PMCCF
		31, 2020; location within a state or county that has received an economic injury disaster declaration (entire country is currently under a disaster declaration for COVID-19); and substantial economic injury as a result of the disaster.	corporation, an association, a trust, a cooperative, a joint venture with no more than 49% participation by foreign business entities, or a tribal concern as defined in 15 USC §657a(b)(2)(C). • Borrower must be 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. • Borrower cannot be a business described in 13 CFR 120.110(b)-(j) and (m)-(s), as modified by regulations implementing the PPP established by CARES Act §1102 on or before April 24, 2020.		Council's supervisory rating system as of December 31, 2019.	majority of its employees based in the US (US Presence Test). Issuers can demonstrate "significant operations in the US" by showing, e.g., greater than 50% of consolidated assets in, annual consolidated net income generated in, annual consolidated net operating revenues generated in, or annual consolidated operating expenses (excluding interest expense and any other expenses associated with debt service) generated in the US as reflected in its most recent audited financial statements. • Subject to exceptions, issuers must have been rated BBB-/Baa3 as of March 22, 2020 by a major nationally recognized statistical rating organization (or, if

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			• Borrower has not received specific support under Title IV, Subtitle A of the CARES Act, and does not participate in the Federal Reserve's MSPLF, the MSELF, or the PMCCF. • If borrower had other loans outstanding with lender as of 12/31/19, loans must have had internal risk rating equivalent to a "pass" in Federal Financial Institutions Examination Council's supervisory rating system.			rated by multiple NRSROs, so rated by at least two NRSROs) (issuer can be a newco, relying on ratings history of US affiliate guaranteeing issuance). • Issuers must not be an insured depository institution or depository institution holding company, as defined in Dodd-Frank Act. • Issuer must not have received specific support pursuant to the CARES Act or any subsequent federal legislation. • Issuer must satisfy the conflicts-of-interest requirements specified below.
Treatment of affiliates	Size eligibility test generally applies (subject to exceptions for certain types of borrowers) by aggregating borrower with	As per PPP.	A business's employees and 2019 revenues are calculated by aggregating with the employees and 2019 revenues	As per MSNLF.	As per MSNLF.	If issuer is not a subsidiary whose sole purpose is to issue debt, parent company and sister affiliates not considered in US Presence Test.

	PPP	EIDL[ii]	MSNLF	MSPLF	MSELF	PMCCF
	its affiliates, per test set forth in 13 CFR 121.301(f). Affiliation can be based on the following: • Ownership: owning or having the power to control more than 50% of a concern's voting equity, or having the ability under constitutive documents to prevent a quorum or otherwise block action by the board of directors or shareholders. • Stock options, convertible securities, and agreements to merge: these are treated as though the rights granted under them had been exercised. • Management: e.g., if management, or controllers of management or the board, also control the		of affiliates, per test set forth in 13 CFR 121.301(f).			If issuer is subsidiary the sole purpose of which is to issue debt, any corporate affiliate to which 95% or more of the proceeds from the syndicated loan or corporate bond purchase are transferred for use in its operations (the "primary corporate beneficiary"), US Presence Test is applied on a consolidated basis. If there is no primary corporate beneficiary, corporate affiliates having significant operations in and a majority of their employees based in the US on a consolidated basis must receive, in the aggregate, 95% or more of the proceeds from the syndicated loan or corporate bond purchase.

	PPP	EIDL[ii]	MSNLF	MSPLF	MSELF	PMCCF
	board or management of another concern. • Identity of interest: e.g., close relatives, individuals or firms with common investments, or firms that are economically dependent through contractual or other arrangements.					
Conflict of interest rules	No new conflict rules under CARES Act. Existing conflict rules applicable to SBA loans apply.	No new conflict rules under CARES Act. Existing conflict rules applicable to SBA loans apply.	The borrower must not have a conflict of interest specified in CARES Act §4019 (20% or greater equity interest by certain politicians or their family members).	As per MSNLF.	As per MSNLF.	The issuer must not have a conflict of interest specified in CARES Act §4019 (20% or greater equity interest by certain politicians or their family members).
Are foreign incorporated entities eligible borrowers?	No express prohibition, but under SBA rules, businesses located in a foreign country with no activities in the US are generally ineligible for SBA loans.[iv]	As per PPP. Where the form of entity is a JV, there can be no more than 49% participation by foreign business concerns in the JV.[v]	No. Eligible borrowers must be created or organized in the US, have significant operations in the US and have a majority of their employees based in the US.	As per MSNLF.	As per MSNLF.	No. Issuer must be a business created or organized in the US or under US law.

iv See SBA SOP 50 10 5(K) Subpart B Ch. 2, §III.C.5.
v See SBA SOP 5- 30 9 §3.30.B.

	PPP	EIDL[ii]	MSNLF	MSPLF	MSELF	PMCCF
Implications of foreign stockholders	No express limit on foreign ownership under CARES Act; however, under the SBA affiliation rules as implemented for the PPP, employees of foreign affiliates will be counted in determining whether the 500 person limit is exceeded. Also, foreign ownership is a political issue that could be closely scrutinized going forward. Under general SBA rules, businesses that are not owned at least 51% by US citizens or lawful permanent residents and who control the management and daily operations of the business may be subject to additional criteria and/or be ineligible for loans.[vi]	As per PPP.	No express limit on foreign ownership under CARES Act; however, the MSNLF pulls from the SBA affiliation rules as implemented for the PPP for purposes of calculating total number of employees of a business, and therefore employees of foreign affiliates will be counted in determining whether the 15,000 employee limit is exceeded. Also, foreign ownership is a political issue that could be closely scrutinized going forward.	As per MSNLF.	As per MSNLF.	Issuer can be subsidiary of a foreign company, provided (i) the issuer itself is created or organized in the US or under US law, (ii) the issuer on a consolidated basis satisfies the US Presence Test, and (iii) the issuer uses the proceeds derived from participation in the PMCCF only for the benefit of itself, its consolidated US subsidiaries, and other affiliates that are US businesses, and not for the benefit of its foreign affiliates.
Key terms of loans	Loans are due in 2 years and have a fixed interest rate of 1%. There are no	Maturity of up to 30 years; fixed interest rate of 3.75% for small	4-year maturity; principal and interest deferred for 1 year (unpaid interest will be	4-year maturity; principal and interest deferred for 1 year (unpaid interest will be	4-year maturity; principal and interest deferred for 1 year (unpaid interest will be	Maturity of 4 years or less. For bonds PMCCF purchases as sole investor, pricing is

vi See SBA SOP 50 10 5(K) Subpart B Ch. 2, §III.C.8.

	PPP	EIDL[ii]	MSNLF	MSPLF	MSELF	PMCCF
	prepayment penalties or fees. No pledge of collateral or personal guarantee is required. Payments for the first six months are suspended. See Part D below with respect to eligibility for payment deferral and loan forgiveness.	businesses (2.75% for nonprofits); no personal guarantees for loans up to $200,000; no collateral required for loans up to $25,000. Borrower may request an emergency grant of $1,000 per employee, up to a maximum of $10,000. This grant does not need to be repaid even if the EIDL loan is denied.	capitalized); adjustable rate of LIBOR (1 or 3 month) +300 basis points; principal amortization of one-third at end of second year, one-third at end of third year and one-third at end of fourth year/maturity; prepayment without penalty, may be secured or unsecured; may not be at origination or during term contractually subordinated in terms of priority to borrower's other loans or debt instruments. Note: FAQs state that firms should include fallback contract language to be used should LIBOR become unavailable during the term of the loan. SOFR is an available alternative. Lender to pay the SPV a transaction fee of 100 bps of loan principal on origination, which lender can pass along to borrower. Borrower will also pay lender a fee of up to 100 bps of the principal amount of	capitalized); adjustable rate of LIBOR (1 or 3 month) +300 basis points; principal amortization of 15% at end of second year, 15% at end of third year and balloon payment of 70% at end of fourth year/maturity; prepayment without penalty; may be secured or unsecured; at origination and at all times while MSPLF loan is outstanding, must be senior or pari passu with, in terms of priority and security, borrower's other loans or debt instruments, other than mortgage debt. Note: FAQs state that firms should include fallback contract language to be used should LIBOR become unavailable during the term of the loan. SOFR is an available alternative. Same fees apply as per MSNLF. Lender must retain 15% participation in loan until SPV divests of its participation interests or the loan matures.	capitalized); adjustable rate of LIBOR (1 or 3 month) +300 basis points; principal amortization of 15% at end of second year, 15% at end of third year and balloon payment of 70% at end of fourth year/maturity; prepayment without penalty; may be secured or unsecured; at time of upsizing and at all times while upsized tranche outstanding, must be senior or pari passu with, in terms of priority and security, borrower's other loans or debt instruments, other than mortgage debt. Note: FAQs state that firms should include fallback contract language to be used should LIBOR become unavailable during the term of the loan. SOFR is an available alternative. Lender to pay the SPV a transaction fee of 75 bps of principal of upsized tranche of eligible loan, which lender can pass along to borrower. Borrower will also pay lender a	issuer specific, informed by market conditions, plus a 100 bps facility fee. Pricing for syndicated loans to be established by bank syndicate member, plus a 100 bps facility fee on PMCCF's share of the issuance.

	PPP	EIDL[ii]	MSNLF	MSPLF	MSELF	PMCCF
			the loan at the time of origination. Lender must retain 5% participation in loan until SPV divests of its participation interests or the loan matures.		fee of up to 75 bps of the principal amount of upsized tranche. Lender must retain 5% participation in loan until SPV divests of its participation interests or the loan matures.	
Lenders	Lenders already authorized to issue SBA §7(a) loans are automatically approved to make PPP loans (credit union or bank). Other lenders must satisfy requirements in SBA guidance.	SBA's Disaster's Assistance Program.	US insured depository institutions, US branches or agencies of foreign banks, US bank holding companies, US savings and loan holding companies, US intermediate holding companies of foreign banking organizations, or a US subsidiary of any of the foregoing.	As per MSNLF.	As per MSNLF.	Either SPV as sole investor for bond issuance, or from banks and capital markets for syndicated loans or bond offerings.
Alternative financing source	Although CARES Act provides that borrowers are not subject to the existing SBA "Credit Elsewhere" requirement, Treasury FAQ # 31 appears to reintroduce the concept by incorporating it into the certification requirements. See Part B below.	Borrowers are not subject to the existing SBA "Credit Elsewhere" requirement, which, generally stated, considers whether the borrower can obtain some or all of the loan funds from alternative sources without undue hardship.	Borrowers receiving funds under this Main Street program may not have received funds under either of the other Main Street programs or PMCCF, or have received specific support under Subtitle A of Title IV of the CARES Act (which means it must not have received a loan, loan guarantee or other investment from the Treasury Department under CARES Act	As per MSNLF.	As per MSNLF.	Issuer must not have received specific support pursuant to the CARES Act or any subsequent legislation, which means it must not have received a loan, loan guarantee or other investment from the Treasury Department under CARES Act §4003(b)(1) - (3).

	PPP	EIDL[ii]	MSNLF	MSPLF	MSELF	PMCCF
			§4003(b)(1) - (3)). A borrower may receive more than one loan under a single Main Street facility, provided that the sum of the loans does not exceed the maximum loan amount. Borrowers may participate under PPP.			Issuer must also not have participated in any of the Main Street lending programs.
B. Application Process						
What sort of certifications are required?	Borrowers must certify, among other things, that: • The current economic uncertainty makes this loan necessary to support ongoing operations of the business. Treasury FAQ 31 provides that certification must be made in good faith, taking into account current business activity and ability to	Borrowers must certify that all information in application and submitted with application is true and complete to the best of borrower's knowledge.	Borrowers must make the following certifications and covenants: • Commit to refrain from repaying principal or interest on any debt until MSNLF loan is paid in full unless the debt or interest payment is mandatory and due. • Will not seek to cancel or reduce any committed lines of credit with any lender. • Has reasonable basis to believe that, as of	Borrowers must make the following certifications and covenants: • Commit to refrain from repaying principal or interest on any debt until MSPLF loan is paid in full, unless the debt or interest payment is mandatory and due (however, borrower may at time of origination refinance existing debt, other than existing debt owed to lender of MSPLF funds).	As per MSNLF.	There will be a certification requirement regarding items such as the US business and CARES Act conflict of interest requirements. Certification criteria to be specified and made available on the NY Fed's website. Issuer will also have to deliver a written certification under Section 13(3) of the Federal Reserve Act that it is unable to secure adequate credit accommodations from other banking institutions and the capital markets and that it is not insolvent. "Adequate credit accommodations" does not

	PPP	EIDL[ii]	MSNLF	MSPLF	MSELF	PMCCF
	access other sources of liquidity sufficient to support ongoing operations in a manner that is not significantly detrimental to the business. • The funds will be used to retain workers and maintain payroll or make mortgage payments, lease payments and utility payments. • Between February 15, 2020 and December 31, 2020, the concern has not and will not receive another PPP loan. • The information in application and supporting documentation is true and accurate		date of origination of MSNLF loan and after giving effect to such loan, it has ability to meet its financial obligations for at least the following 90 days and does not expect to file for bankruptcy during that period. • Will follow stock repurchase restrictions, employee and officer compensation limitations and restrictions on capital distributions set forth in CARES Act §4003(c)(3)(A)(ii), except that S corporations and other tax pass-through entities may make distributions to cover its owners' tax obligations in respect of borrower's earnings.	• Other certification requirements as per MSNLF loans.		mean that no credit is available, but that availability is at prices or conditions that are inconsistent with a normal, well-functioning market.

	PPP	EIDL[ii]	MSNLF	MSPLF	MSELF	PMCCF
	in all material respects.		• It is eligible to participate in the facility, including that no conflict of interest exists under CARES Act §4019(b) (prohibition on ownership by certain senior government officials and their families).			
What is the application process?	Loan application is submitted directly to the eligible lender. Loan application will typically require certain documentation, including without limitation payroll documentation verifying the number of employees and dollar amounts of payroll costs, covered mortgage interest payments, covered rent payments, and covered utilities for the 8 weeks after receiving the loan.	Loan application is submitted directly to the SBA. Loan application requires certain supporting documentation, such as a schedule of liabilities, personal financial statement, and documentation relating to affiliates, 20% stockholders and general partners.	Borrower must submit an application and any other documentation required by a lender participating in the program to such lender. Lenders are expected to conduct an assessment of the potential borrowers' financial condition at the time of the borrowers' applications. Lenders will apply their own underwriting standards. Lenders may require additional information and documentation for their evaluations of borrowers. Borrowers that satisfy the MSNLF eligibility	As per MSNLF.	As per MSNLF.	If there is insufficient demand (less than 100% of offering size) after it has been shown to prospective purchasers, the issuer and all syndication leads may approach the PMCCF via the investment manager and request participation by the PMCCF in up to 25% of the offering. Issuers must deliver a certification (described above), and provide additional data on the proposed transaction, including without limitation tenor, seniority, offering format, transaction size, initial price talk and expected final yield. Additional information will be

	PPP	EIDL[ii]	MSNLF	MSPLF	MSELF	PMCCF
			requirements may not be approved for a loan.			provided regarding how to submit a request. Issuers and their underwriters can also contact the PMCCF via the investment manager to request that the PMCCF be the sole purchaser of a bond.
What stockholder information is required?	Application needs to include certain information about equity owners holding 20% or more of borrower, including name, title, percentage ownership, federal tax identification number, and address.	Application needs to include certain information about equity owners holding 20% or more of borrower and each general partner, including personal financial statement, and most recent federal income tax return. A copy of the most recent federal income tax return is also required for each affiliate.	None.	None.	None.	Not yet specified.
Timing for application	The loan application process was opened in early April, and the program quickly ran out of money. Additional funding was made available April 27, 2020. Pursuant to the	As of the date of this Advisory, only agricultural business applications will be accepted due to limitation in funding availability and the unprecedented	Commencement date for loans not yet announced. SPV will cease purchasing loans on September 30, 2020, unless the Federal Reserve and Treasury extend the facility.	As per MSNLF.	As per MSNLF.	Start date for funding not yet announced, but it is expected to be in May. After start date, issuer can approach PMCCF (i) to refinance existing debt 3 months prior to maturity, or (ii)

	PPP	EIDL[ii]	MSNLF	MSPLF	MSELF	PMCCF
	CARES Act, the program expires on June 30, 2020.	submission of applications already received. Pursuant to the CARES Act, the program expires on December 31, 2020.				at any time for new debt, if rating is reaffirmed at BB-/Ba3 or above The PMCCF will cease purchasing eligible bonds and syndicated loans no later than September 30, 2020, unless program extended.
Liability for errors in application	False statements in the loan application may constitute violations under the False Claims Act, which creates civil and criminal exposure. Criminal convictions for fraud may result in fines of up to $1 million and/or imprisonment for up to thirty years. Violations can also result in civil penalties of between $11,463 - $22,927 for each FCA violation. Additionally, those that violate the FCA are liable for up to treble the amount of damage sustained by the government.	As per PPP.	As per PPP.	As per PPP.	As per PPP.	As per PPP.

	PPP	EIDL[ii]	MSNLF	MSPLF	MSELF	PMCCF
	Numerous criminal antifraud and false statements statutes could be used by the government to prosecute alleged violators, including statutes prohibiting theft or bribery concerning federal programs (18 U.S.C. § 666), false statements (18 U.S.C. § 1001), bank fraud (18 U.S.C. § 1344), wire fraud (18 U.S.C. § 1344), securities fraud (18 U.S.C. § 1348), fraud against the United States (18 U.S.C. § 371), money laundering (18 U.S.C. §§ 1956 and 1957) and others.					
C. Restrictions on Borrowers						
Use of funds	Borrower must use funds to cover payroll, mortgage interest, rent, utilities, and interest on debt obligations incurred before February 15, 2020. To be fully forgiven, no more than 25 percent of loan	Borrower must use funds to cover working capital necessary to carry the business until resumption of normal operations and for expenditures necessary to alleviate the specific economic injury. This	Borrower must make commercially reasonable efforts to maintain its payroll and retain its employees; cannot use MSNLF loan to pay principal or interest on other debt unless any such payment is due and mandatory. Subject to exceptions, borrower must	As per MSNLF, except that borrower is permitted to refinance existing debt from lenders other than MSPLF lender at time of origination.	As per MSNLF.	An issuer that is a subsidiary of a foreign company must use the proceeds derived from participation in the PMCCF only for the benefit of itself, its consolidated US subsidiaries, and other affiliates that are US businesses, and not for the benefit of its foreign affiliates.

	PPP	EIDL[ii]	MSNLF	MSPLF	MSELF	PMCCF
	proceeds may be used for non-payroll costs.	includes providing paid sick leave to employees unable to work due to COVID-19, maintaining payroll, meeting increased costs due to interrupted supply chains, making rent or mortgage payments, and repaying obligations that cannot be met due to revenue loss.	also commit not to seek to cancel or reduce any of its committed lines of credit with any lender.			Issuance can be for refinance of outstanding bonds, subject to conditions and limitations. Refinancing may be up to 3 months ahead of maturity date of outstanding debt.
Impact of reductions in force after loan	Amount of loan forgiveness will be reduced if borrower has laid off full time equivalent employees (FTEs) during 8 week period commencing with the loan disbursement compared to certain prior dates and/or periods (although there is a cure period allowed for borrowers to rehire FTEs prior to June 30, 2020) See Part D below for more details.	N/A	Borrower must make commercially reasonable efforts to retain its employees during the term of the eligible loan (i.e., good faith efforts to retain employees, in light of borrower's capacities, the economic environment, available resources and business need for labor). Borrowers that have already laid-off or furloughed workers as a result of COVID-19 disruptions are eligible to apply for Main Street Loans.	As per MSNLF.	As per MSNLF.	N/A

	PPP	EIDL[ii]	MSNLF	MSPLF	MSELF	PMCCF
Impact of decreases in employee compensation	Amount of loan forgiveness will be reduced if borrower has reduced salary or wages of employees by more than 25% during the 8 week period commencing with loan disbursement compared to certain prior dates and/or periods. See Part D below for more details.	N/A	Borrower must make commercially reasonable efforts to maintain its payroll during the term of the eligible loan (i.e., good faith efforts to maintain payroll, in light of borrower's capacities, the economic environment, available resources and business need for labor).	As per MSNLF.	As per MSNLF.	N/A
Impact on executive compensation	N/A (except to the extent covered by row above).	N/A	From execution of loan to 1 year after repayment in full, (A) no officer or employee with total compensation over $425K in 2019 (with exceptions for employees paid under collective bargaining agreements) will receive in any consecutive 12 month period total compensation that exceeds the amount received in 2019 or severance or other termination pay that exceeds 2x that amount; and (B) No officer or employee whose total compensation exceeded $3 million in 2019 may receive in	As per MSNLF.	As per MSNLF.	N/A

	PPP	EIDL[ii]	MSNLF	MSPLF	MSELF	PMCCF
			any consecutive 12 month period total compensation in excess of the sum of $3 million and 50% of the excess over $3 million of the total compensation received by such officer or employee in 2019.			
Implication for income inclusion, tax credits and deductions	The amount of PPP loans forgiven are not included in federal taxable income. Borrowers that benefit from loan forgiveness under the PPP are not eligible to defer payroll taxes as provided under CARES Act §2302. A PPP loan borrower is ineligible for the Employee Retention Credit in CARES Act §2301. The IRS has taken the position that deductions are not allowed for expenses funded by forgiven PPP loans. Pending legislation would reject the IRS position and	Unclear if EIDL grant amounts are included in federal taxable income. If not included, IRS position regarding non-deductibility of expenses related to forgiven PPP loans should also apply here. Pending legislation would clarify that such amounts are not included in federal taxable income and related expenses still are deductible. Separate rules may apply for state tax purposes in states that	N/A	N/A	N/A	Use of credits or tax relief in the CARES Act will not render issuer ineligible for program.

	PPP	EIDL[ii]	MSNLF	MSPLF	MSELF	PMCCF
	clarify that such expenses still are deductible. Separate rules may apply for state tax purposes in states that do not automatically follow federal treatment.	do not automatically follow federal treatment.				
Other restrictions	Cannot use EIDL and PPP funds for the same purpose (e.g., cannot use both on payroll). If EIDL received between January 1, 2020 and April 3, 2020 was used for payroll and a PPP loan is obtained, the PPP loan must be used to refinance the EIDL loan.	Cannot use EIDL and PPP funds for the same purpose (e.g., cannot use both on payroll).	Subject to exceptions, no repurchases of equity listed on a national securities exchange of the borrower or any parent company until 12 months after loan is repaid. No dividends or capital distributions with respect to common stock until 12 months after loan is repaid, except in the case of tax pass-through entities to the extent reasonably required to cover owner tax obligations on the borrower's earnings.	As per MSNLF.	As per MSNLF.	N/A
D. Deferral and Forgiveness						
What are the repayment	6 months (includes payments of principal, interest, and fees). Interest	Principal and interest payments may be deferred for one year. Interest continues to	Principal and interest payments deferred for one year. Unpaid interest is capitalized.	As per MSNLF.	As per MSNLF.	Interest and principal payments can be deferred during the first 6 months, extendable at the Federal Reserve's discretion.

	PPP	EIDL[ii]	MSNLF	MSPLF	MSELF	PMCCF
deferral rights?	continues to accrue during deferral period.	accrue during deferral period.				
Loan forgiveness eligibility	Borrowers are eligible for forgiveness, not in excess of the loan principal and interest,[vii] in an amount equal to payroll costs (which must total at least 75% of loan forgiveness amount), interest on mortgage obligations incurred before February 15, 2020, rent payments for leases in effect before February 15, 2020, and utility payments for service which commenced before February 15, 2020, in each case incurred during the 8 week period following the loan disbursement date.	Emergency EIDL grants do not need to be repaid.	No.	No.	No.	N/A
Limitations on loan forgiveness	Amount of loan forgiveness subject to reduction if, during the 8 week “covered period” commencing with the loan	Forgiveness is limited to amount of emergency EIDL grant (which is up to $10,000).	N/A	N/A	N/A	N/A

vii The CARES Act provides for principal as a cap, but the Interim Final Rules provide for principal plus interest.

	PPP	EIDL[ii]	MSNLF	MSPLF	MSELF	PMCCF
	disbursement, borrower has (i) laid off FTEs, as compared to the period from February 15, 2019 to June 30, 2019, or, at the borrower's election from January 1, 2020 to February 29, 2020, or other specified period for seasonal employers or (ii) reduced salary or wages of employees who made less than $100,000 in annualized wages in 2019 beyond 25% of their total salary or wages during the fiscal quarter before the covered period. An exception disregards layoffs and salary reductions that occurred between February 15, 2020 and April 26, 2020 if the business re-hires FTEs or eliminates salary reductions by June 30, 2020. Amount of any EIDL emergency grant is					

	PPP	EIDL[ii]	MSNLF	MSPLF	MSELF	PMCCF
	deducted from PPP loan forgiveness amount.					
Loan forgiveness process & timing	Borrower must apply for forgiveness with lender, and lender has 60 days to determine forgiveness. Application includes documentation verifying the number of relevant employees and pay rates during the relevant periods, documentation relating to non-payroll amounts for which loan forgiveness relates, a certification that documentation is true and correct and that amount of forgiveness requested was used for retaining employees and paying mortgage interest, rent and utilities during the covered period, and any additional information that the SBA Administrator requires.	Application for forgiveness not required.	N/A	N/A	N/A	N/A