

**Supporting Statement for the
Reporting Requirements Associated with Emergency Lending Under Section 13(3)
(FR A; OMB No. 7100-0373)**

Summary

The Board of Governors of the Federal Reserve System (Board), under authority delegated from the Office of Management and Budget (OMB), has temporarily revised the Reporting Requirements Associated with Emergency Lending Under Section 13(3) (FR A; OMB No. 7100-0373),¹ pursuant to its authority to temporarily approve a collection of information without providing opportunity for public comment.

This information collection comprises the following three parts:

- Regulation A Certifications (FR A-1) pertains to reporting requirements resulting from Regulation A - Extensions of Credit by Federal Reserve Banks (12 CFR Part 201), which sets out the Board's policies and procedures with respect to emergency lending under section 13(3) of the Federal Reserve Act (section 13(3)). When an individual emergency lending facility is established by the Board, the Board may impose additional information collections,
- CARES Act Certifications (FR A-2) pertains to reporting requirements associated with implementation of requirements under the Coronavirus Aid, Relief, and Economic Security Act (CARES Act), and
- Main Street Lending Program Certifications (FR A-3) pertains to reporting requirements specific to the Main Street Expanded Loan Facility (MSELF), Main Street New Loan Facility (MSNLF), and Main Street Priority Loan Facility (MSPLF) (collectively, the Main Street Lending Program). Participating Main Street Lending Program lenders and borrowers are required to submit certifications related to the eligibility of the borrowers, lenders, and loans for the program and for the specific facility.

Previous revisions requiring temporary approval, which expanded this information collection to three parts, were approved by the Board and submitted to OMB on May 11, 2020. Once the information collection was submitted to OMB, the Board has six months to publish a notice in the *Federal Register* requesting public comment for 60 days on the temporary revisions. The Board published this notice (85 FR 29447) on May 15, 2020. The Board has identified additional revisions which require a second temporary approval of this information collection. The FR A-1 respondent counts are being revised down to reflect a more accurate estimate. The FR A-3 is being revised to address newly developed certifications not included in previous information collection. The FR A-2 is not being revised.

The current estimated total annual burden for the FR A is 1,032,134 hours, and will decrease to 419,282 hours. The adopted revisions will result in a decrease of 612,852 hours. There are no formal reporting forms for this information collection.

¹ This information collection is defined as a reporting requirement, as providing information to a federal agency is considered "reporting" burden under the Paperwork Reduction Act.

Background and Justification

Section 13(3) provides that the Board may authorize any Federal Reserve Bank to extend credit to an individual, partnership, or corporation, subject to conditions. This statutory authority to extend credit in unusual and exigent circumstances was enacted by Congress in 1932 to enable the Federal Reserve, as the nation's central bank, to provide liquidity in times of financial stress.

The Board's Regulation A establishes policies and procedures with respect to emergency lending under section 13(3) of the Federal Reserve Act, as required by sections 1101 and 1103 of the Dodd-Frank Wall Street Reform and Consumer Protection Act. Included in those policies and procedures are two reporting requirements. First, the regulations allow a Reserve Bank to rely on a written certification from a participant in a facility to meet the requirement that the Reserve Bank not lend to persons or entities that are insolvent.² Second, the regulations allow a Reserve Bank to rely on a written certification from a participant in a facility to meet the requirement that the Reserve Bank obtain evidence that, under the prevailing circumstances, participants in a facility are unable to secure adequate credit accommodations from other banking institutions.³

On March 27, 2020, the CARES Act⁴ was enacted to provide emergency assistance for individuals, families, and businesses affected by the 2020 COVID-19 (coronavirus) pandemic. Among other actions, the CARES Act authorized the Secretary of the Treasury to make loans, loan guarantees or other investments in support of eligible businesses, states, or municipalities.⁵ A facility in which the Secretary makes an investment shall only purchase obligations from or make loans to a United States business.⁶ Any entity seeking to enter into a transaction that is funded by the Secretary under the CARES Act must certify that it is eligible to engage in that transaction.⁷

Since March of 2020, the Board has established eleven lending facilities under section 13(3) to support the flow of credit to households, businesses, and employers and authorized Federal Reserve Banks to lend under the programs. The eleven facilities that collect FR A-1 certifications are the Commercial Paper Funding Facility (CPFF), the three facilities of the Main Street Lending Program, Money Market Mutual Fund Liquidity Facility (MMLF), Municipal Liquidity Facility (MLF), Paycheck Protection Program Liquidity Facility (PPPLF), Primary Dealer Credit Facility (PDCF), Primary Market Corporate Credit Facility (PMCCF), Secondary Market Corporate Credit Facility (SMCCF), and Term Asset-Backed Securities Loan Facility (TALF).

As the Federal Reserve System works to bring the Main Street Lending Program into operation, additional reporting provisions, contained in the certifications that participants in the Main Street Lending Program will be required to sign, have been drafted.

² 12 CFR 201.4(d)(5)(iv)(A).

³ 12 CFR 201.4(d)(8)(ii).

⁴ Pub. L. 116-136.

⁵ See section 4003 of the CARES Act.

⁶ Section 4003(c)(3)(C) of the CARES Act.

⁷ Section 4019(c) of the CARES Act.

Description of Information Collection

Regulation A Certifications (FR A-1)

The written certifications contained in Regulation A, described above, are designated as FR A-1, for internal purposes.

CARES Act Certifications (FR A-2)

Of the eleven lending facilities that the Board has established, six included information collection requirements in their term sheets related to CARES Act provisions. As indicated, these collections have been designated as FR A-2 for internal purposes. Participants in the Main Street Lending Program, PMCCF, SMCCF, and TALF must satisfy the conflicts-of-interest requirements of section 4019 of the CARES Act, which includes a requirement that the participant certify that the entity is eligible to engage in that transaction, including that the entity is not a covered entity under section 4019 of the CARES Act.

Main Street Lending Program Certifications (FR A-3)

The Main Street Lending Program has additional information collections in its term sheets and that Board staff have developed for its implementation. As indicated, these collections have been designated as FR A-3 for internal purposes. Under the MSELF term sheet, an eligible lender⁸ must certify that the methodology used for calculating the eligible borrower's adjusted 2019 earnings before interest, taxes, depreciation, and amortization (EBITDA)—in order to determine the maximum loan size—is the methodology the lender previously used for adjusting EBITDA when originating or amending the eligible loan on or before April 24, 2020. In addition, under the applicable term sheets, an eligible lender under the MSNLF or MSPLF must certify that the methodology used for calculating the eligible borrower's adjusted 2019 EBITDA in order to determine maximum loan size is the methodology it has previously used for adjusting EBITDA when extending credit to the eligible borrower or similarly situated borrowers on or before April 24, 2020.

As part of the implementation of the Main Street Lending Program, Board staff has worked with staff from Treasury and the Federal Reserve Banks to develop additional certifications that borrowers and lenders will be required to complete to participate in any of the three facilities of the Main Street Lending Program.

Under all Main Street Lending Program facilities, an eligible borrower must certify that it has a reasonable basis to believe that, as of the date of entering into the relevant transaction and after entering into that transaction, it has the ability to meet its financial obligations for at least the next 90 days and does not expect to file for bankruptcy during that time period.

Depending on the requirements of a particular lending facility, there may be a need to vary the certifications, depending on the facts and circumstances. No other federal law mandates

⁸ Under the Main Street Lending Program, the Reserve Banks will purchase loan participations from eligible lenders related to loans to eligible borrowers.

reporting of the information required in the FR A. As a result, this information is not available from other sources.

Respondent Panel

The total FR A panel comprises persons or entities borrowing under an emergency lending program or facility established pursuant to section 13(3).

CPFF. Eligible issuers are U.S. issuers of commercial paper, including municipal issuers and U.S. issuers with a foreign parent company.

Main Street Lending Program (MSELF, MSNLF, and MSPLF)

MSELF. Eligible lenders are U.S. federally insured depository institutions, U.S. branches or agencies of foreign banks, U.S. bank holding companies, U.S. savings and loan holding companies, U.S. intermediate holding companies of foreign banking organizations, and U.S. subsidiaries of any of the foregoing. Eligible borrowers are businesses⁹ that are not Ineligible Businesses¹⁰ with up to 15,000 employees or up to \$5 billion in 2019 annual revenues. Each eligible borrower must be a business that was established prior to March 13, 2020, and 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. Eligible borrowers that participate in the MSELF may not also participate in the MSNLF, the MSPLF, or the PMCCF or receive specific support pursuant to Subtitle A of Title IV of the CARES Act.

MSNLF. Eligible lenders are U.S. federally insured depository institutions, U.S. branches or agencies of foreign banks, U.S. bank holding companies, U.S. savings and loan holding companies, U.S. intermediate holding companies of foreign banking organizations, and U.S. subsidiaries of any of the foregoing. Eligible borrowers are businesses that are not Ineligible Businesses with up to 15,000 employees or up to \$5 billion in 2019 annual revenues. Each eligible borrower must be a business that was established prior to March 13, 2020, and 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. Eligible borrowers that participate in the MSNLF may not also participate in the MSELF, the MSPLF, or the PMCCF or receive specific support pursuant to Subtitle A of Title IV of the CARES Act.

MSPLF. Eligible lenders are U.S. federally insured depository institutions, U.S. branches or agencies of foreign banks, U.S. bank holding companies, U.S. savings and loan holding

⁹ For purposes of the Main Street Lending Program, a Business is an entity that is organized for profit as a partnership; a limited liability company; a corporation; an association; a trust; a cooperative; a joint venture with no more than 49 percent participation by foreign business entities; or a tribal business concern as defined in 15 U.S.C. § 657a(b)(2)(C), except that “small business concern” in that paragraph should be replaced with “Business” as defined herein. Other forms of organization may be considered for inclusion as a Business under the Facility at the discretion of the Federal Reserve.

¹⁰ For purposes of the Main Street Lending Program, an Ineligible Business is a type of business listed in 13 CFR 120.110(b)-(j) and (m)-(s), as modified by regulations implementing the Paycheck Protection Program established by section 1102 of the CARES Act (PPP) on or before April 24, 2020. The application of these restrictions to the Facility may be further modified at the discretion of the Federal Reserve.

companies, U.S. intermediate holding companies of foreign banking organizations, and U.S. subsidiaries of any of the foregoing. Eligible borrowers are businesses that are not Ineligible Businesses with up to 15,000 employees or up to \$5 billion in 2019 annual revenues. Each eligible borrower must be a business that was established prior to March 13, 2020, and 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. Eligible borrowers that participate in the MSPLF may not also participate in the MSELF, the MSNLF, or the PMCCF or receive specific support pursuant to Subtitle A of Title IV of the CARES Act.

MMLF. 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.

MLF. An eligible issuer is a State, City, or County (or an instrumentality thereof that issues on behalf of the State, City, or County for the purpose of managing its cash flows), in each case subject to review and approval by the Federal Reserve. Only one issuer per State, City, or County is eligible.

PPPLF. All approved lenders in the Small Business Administration's Paycheck Protection Program (PPP) are eligible to participate in the PPPLF.

PDCF. Primary dealers of the Federal Reserve Bank of New York are eligible to participate in the PDCF.

PMCCF. Eligible issuers from which the PMCCF may purchase eligible corporate bonds are U.S. companies headquartered in the United States and with material operations in the United States. The scope of eligible issuers may be expanded in the future. Eligible issuers do not include companies that are expected to receive direct financial assistance under pending federal legislation.

SMCCF. Eligible issuers for direct purchases of individual corporate bonds on the secondary market are U.S. businesses with material operations in the United States. Eligible issuers do not include companies that are expected to receive direct financial assistance under pending federal legislation.

TALF. All U.S. companies that own eligible collateral and maintain an account relationship with a primary dealer are eligible to borrow under the TALF. A U.S. company would be defined as a U.S. business entity organized under the laws of the United States or a political subdivision or territory thereof (including such an entity that has a non-U.S. parent company), or a U.S. branch or agency of a foreign bank.

Temporary Revisions

The delegation of authority to the Board from OMB that permits the Board to approve collections of information under the Paperwork Reduction Act includes the authority to temporarily approve a collection of information without seeking public comment. To exercise

this authority, the Board must determine that a change to an existing collection must be instituted quickly and that public participation in the approval process would substantially interfere with the Board's ability to perform its statutory obligation. Following the temporary approval of an information collection, the Board will conduct a normal delegated review of the collection within six months, including publishing in the *Federal Register* a notice seeking public comment.

The FR A-1 respondent counts are being revised down to reflect a more accurate estimate.

The FR A-3 is being revised to include additional reporting provisions in the Main Street Lending Program facilities. As part of the implementation of the Main Street Lending Program, Board staff has worked with staff from Treasury and the Federal Reserve Banks to develop additional certifications that borrowers and lenders will be required to complete to participate in any of the three facilities of the Main Street Lending Program. There are certifications specific to each facility that borrowers will be required to complete, that include a number of provisions not otherwise covered by the certification requirements of Regulation A and the term sheets. Those provisions are listed in Appendices A through F. Lenders will be required to provide facility-specific certifications, that include a number of provisions not otherwise covered by the certification requirements of Regulation A and the term sheets. Those provisions are also listed in Appendices A through F. In addition, the average hours per response estimate is being revised down, and annual frequency increased slightly.

Time Schedule for Information Collection

The FR A is an event-driven information collection. The certification must be filed at or before the time the person or entity borrows under the program or facility.

Public Availability of Data

There are no data related to this information collection available to the public.

Legal Status

The FR A is authorized pursuant to section 13(3), which authorizes the Board to set terms and conditions for lending under emergency lending facilities (12 U.S.C. § 343(3)). A Federal Reserve Bank may not lend to an entity that have not complied with the application information collections. The obligation to respond, therefore, is required to obtain a benefit.

The information collected under FR A may be kept confidential under exemption 4 for the Freedom of Information Act, which protects commercial or financial information obtained from a person that is privileged or confidential (5 U.S.C. § 552(b)(4)).

Consultation Outside the Agency

There has been no consultation outside the Federal Reserve System.

Public Comments

On March 2, 2020, the Board published an initial notice in the *Federal Register* (85 FR 12295) requesting public comment for 60 days on the extension, without revision, of the FR A. The comment period for that notice expired on May 1, 2020.

On May 15, 2020, following the temporary approval of revisions to this information collection, the Board published a notice in the *Federal Register* (85 FR 29447) requesting public comment for 60 days on those temporary revisions. The comment period for that notice expires on July 14, 2020.

Given that additional revisions are required for a temporary approval of this information collection, the Board will conduct a normal delegated review of the collection within six months, including publishing in the *Federal Register* a notice seeking public comment. Comments received in response to all notices will be considered.

Estimate of Respondent Burden

As shown in the table below, the estimated total annual burden for the FR A is 1,032,134 hours, and will decrease to 419,282 hours with the revisions. For the FR A-1, the estimated number of respondents will decrease by 2,991. For the FR A-3 lender certifications, the frequency will increase by 1.36 and the estimated hours per response would decrease by 149. These reporting requirements represent 4.3 percent of the Board's total paperwork burden.

FR A	<i>Estimated number of respondents¹¹</i>	<i>Annual frequency</i>	<i>Estimated average hours per response</i>	<i>Estimated annual burden hours</i>
Current Reporting				
FR A-1	11,281	1	8	90,248
FR A-2	6,449	1	40	257,960
FR A-3:				
Lender certifications	4,026	1	151	607,926
Borrower certifications	9,500	1	8	<u>76,000</u>
<i>Current Total</i>				1,032,134
Proposed Reporting				
FR A-1	8,290	1	8	66,320
FR A-2	6,449	1	40	257,960
FR A-3:				
Lender certifications	4,026	2.36	2	19,002
Borrower certifications	9,500	1	8	<u>76,000</u>
<i>Proposed Total</i>				419,282
				<i>Change</i>
				(612,852)

The estimated total annual cost to the public for the FR A is \$59,605,739, and will decrease to \$24,213,593 with the adopted revisions.¹²

Sensitive Questions

This collection of information contains no questions of a sensitive nature, as defined by OMB guidelines.

Estimate of Cost to the Federal Reserve System

The estimated cost to the Federal Reserve System for collecting and processing this information collection is \$83,100.

¹¹ Of these respondents, 1,160 FR A-1 respondents are considered small entities as defined by the Small Business Administration (i.e., entities with less than \$600 million in total assets or populations of less than 50,000), <https://www.sba.gov/document/support--table-size-standards>.

¹² Total cost to the public was estimated using the following formula: percent of staff time, multiplied by annual burden hours, multiplied by hourly rates (30% Office & Administrative Support at \$20, 45% Financial Managers at \$71, 15% Lawyers at \$70, and 10% Chief Executives at \$93). Hourly rates for each occupational group are the (rounded) mean hourly wages from the Bureau of Labor and Statistics (BLS), *Occupational Employment and Wages May 2019*, published March 31, 2020, <https://www.bls.gov/news.release/ocwage.t01.htm>. Occupations are defined using the BLS Standard Occupational Classification System, <https://www.bls.gov/soc/>.

APPENDIX A

Main Street Expanded Loan Facility (MSELF) Lender Certifications

For each transaction, a lender must certify, consistent with instructions in the certification documents:

1. that the underlying credit facility was originated on or before April 24, 2020 and the upsized tranche was originated after April 24, 2020;
2. that the upsized tranche is a term loan with a maturity of four years; and that each tranche under the underlying credit facility has a remaining maturity of at least 18 months from the date of origination of the upsized tranche (taking into account any adjustments made to the maturity of such other tranches after April 24, 2020, including at the time of upsizing);
3. that the principal and interest payments under the upsized tranche are deferred for one year and that unpaid interest will be capitalized;
4. that the upsized tranche has an interest rate of the adjustable rate of LIBOR (1 or 3 month) plus 300 basis points;
5. that the principal amortization under the upsized tranche is 15 percent at the end of the second year, 15 percent at the end of the third year, and a balloon payment of 70 percent at maturity at the end of the fourth year;
6. that the principal amount of the upsized tranche at the time of origination of the upsized tranche is at least \$10 million;
7. that the principal amount of the upsized tranche does not exceed \$200 million at the time of origination;
8. that, based on the records provided to the lender by the borrower, the principal amount of the upsized tranche does not exceed 35 percent of the principal amount of the borrower's existing outstanding debt and undrawn available debt that is *pari passu* in priority with the upsized tranche and equivalent in secured status (i.e., secured or unsecured) to the upsized tranche;
9. that, if the borrower notifies the lender that any of the borrower's affiliates has previously received, or has applied to receive, funding from the facility, based solely on the financial records provided to the lender by the borrower and the calculation of the borrower's and the borrower's affiliates' adjusted 2019 EBITDA certified to the lender by the borrower, the upsized tranche is an amount that, when added to the borrower's and the borrower's affiliates' existing outstanding and undrawn available debt, does not exceed six times the borrower's and the borrower's affiliates' adjusted 2019 EBITDA;

10. that, if the borrower is a company, all or substantially all of the assets of which comprise equity interests in other entities (as certified by the borrower),
 - a. based solely on the financial records provided to the lender by the borrower and the calculation of the selected subsidiaries' aggregate adjusted 2019 EBITDA certified to the lender by the borrower, the upsized tranche is in an amount that, when added to the selected subsidiaries' aggregate outstanding and undrawn available debt, does not exceed six times such selected subsidiaries' aggregate adjusted 2019 EBITDA;
 - b. each selected subsidiary has guaranteed the upsized tranche on a joint and several basis; and
 - c. if the upsized tranche is secured, then the selected subsidiaries' guarantees are also secured;
11. that the upsized tranche is not at the time of origination, contractually subordinated in terms of priority to any of the borrower's other loans or debt instruments, including to any other tranche under the underlying credit facility;
12. that prepayments of principal on the upsized tranche are permitted without penalty;
13. that the documentation for the upsized tranche contains a provision triggering a mandatory prepayment upon the lender's receipt of notice from the Board or its designee that the borrower (i) has made a material misstatement with respect to specified certifications; or (ii) that specified covenants made by the borrower have been materially breached;
14. that the documentation for the upsized tranche contains a provision triggering an event of default and permitting acceleration if the borrower has defaulted on other loans made by the Lender or any of its controlled affiliates (including affiliates that control the Borrower or are under common control with it) to the Borrower, and the Lender or its controlled affiliate has accelerated the obligations in respect of such loans;
15. that the documentation for the upsized tranche contains a lien covenant or negative pledge covenant applicable to the borrower (and the selected subsidiaries, if any) that is of the type and contains exceptions, limitations, carve-outs, baskets, materiality thresholds, and qualifiers that are consistent with those used by the lender in its ordinary course lending to similarly situated borrowers;
16. that the documentation for the upsized tranche contains a financial reporting covenant requiring the borrower to deliver the required borrower financial information and calculations quarterly and annually as specified;
17. that any collateral securing the underlying credit facility (i) at the time of origination of the upsized tranche, secures the upsized tranche and the underlying credit facility on a *pari passu* basis;
18. that, if the upsized tranche is unsecured, then, following due inquiry with respect to liens and otherwise solely in reliance on the liens and otherwise solely in reliance on the borrower certifications and covenants delivered by the borrower to the lender, the lender has no knowledge

or reason to believe that the borrower's other loans or debt instruments (other than mortgage debt) are secured at the time of origination of the upsized tranche;

19. that on the date of origination for the upsized tranche, the lender held interests in the underlying credit facility; and

20. that (i) if the underlying credit facility was originated on or before December 31, 2019, it had an internal risk rating equivalent to a "pass" in the FFIEC supervisory rating system as of December 31, 2019; and (ii) if the underlying credit facility was originated after December 31, 2019, it had an internal risk rating at the time of its origination equivalent to a "pass" in the FFIEC's supervisory rating system.

APPENDIX B

Main Street Expanded Loan Facility (MSELF) Borrower Certifications

A borrower must certify:

1. that (i) it has provided financial records to the eligible lender and a calculation of the borrower's (and, if relevant, the borrower's affiliates' and selected subsidiaries') adjusted 2019 EBITDA, reflecting only those adjustments permitted pursuant to the methodology that the borrower agreed upon with the eligible lender, and (ii) such financial records fairly present, in all material respects, the financial condition of such entities for the period covered thereby in accordance with GAAP (if applicable), consistently applied, and that such EBITDA calculations are true and correct in all material respects;
2. that, if the upsized tranche is unsecured, then the borrower's other loans or debt instruments (other than mortgage debt), including the underlying credit facility, are unsecured at the time of origination of the upsized tranche, as well;
3. that, if the upsized tranche is secured, then the borrower has no knowledge or reason to believe that the lien of the eligible lender in any shared collateral is not senior or *pari passu* to the lien on such shared collateral that secures any of the borrower's other loans or debt instruments (other than mortgage debt), including any other tranches in respect of the underlying credit facility;
4. that, to its knowledge after reasonable diligence, none of its affiliates has accessed the MSNLF, the MSPLF, or the PMCCF and that it has informed the eligible lender if, after reasonable diligence, it has determined that any of its affiliates has previously received, or has a pending application to receive, funds in connection with any Main Street facility, as well as the value of such funding; and
5. that, if the borrower is a company, all or substantially all of the assets of which comprise equity interests in other entities, the upsized tranche is fully guaranteed on a joint and several basis by its selected subsidiaries and if the upsized tranche is secured, then the selected subsidiaries' guarantees are also secured.

APPENDIX C

Main Street New Loan Facility (MSNLF) Lender Certifications

For each loan, a lender must certify:

1. that the eligible loan was originated after April 24, 2020;
2. that the eligible loan is a term loan with a maturity of four years;
3. that the principal and interest payments under the eligible loan are deferred for one year and that unpaid interest will be capitalized;
4. that the eligible loan has an interest rate of the adjustable rate of LIBOR (1 or 3 month) plus 300 basis points;
5. that the principal amortization under the eligible loan is one-third at the end of the second year, one-third at the end of the third year, and one-third at maturity at the end of the fourth year;
6. that the principal amount of the eligible loan at the time of origination is at least \$500,000;
7. that the principal amount of the eligible loan does not exceed \$25 million at the time of origination;
8. that, if the borrower notifies the lender that any of the borrower's affiliates has previously received, or has applied to receive, funding from the MSNLF, based solely on the financial records provided to the lender by the borrower and the calculation of the Borrower's and the Borrower's affiliates' adjusted 2019 EBITDA certified to the Lender by the Borrower, the eligible loan is an amount that, when added to the borrower's and the borrower's affiliates' existing outstanding and undrawn available debt, does not exceed four times the borrower's and the borrower's affiliates' adjusted 2019 EBITDA;
9. that, if the borrower is a company, all or substantially all of the assets of which comprise equity interests in other entities,
 - a. based solely on the financial records provided to the lender by the borrower and the calculation of the selected subsidiaries' aggregate adjusted 2019 EBITDA certified to the lender by the borrower, the eligible loan is in an amount that, when added to the selected subsidiaries' aggregate outstanding and undrawn available debt, does not exceed four times such selected subsidiaries' aggregate adjusted 2019 EBITDA; and
 - b. each selected subsidiary has guaranteed the eligible loan on a joint and several basis;
10. that the eligible loan is not at the time of origination contractually subordinated in terms of priority to any of the borrower's other loans or debt instruments;

11. that prepayments of principal on the eligible loan are permitted without penalty;
12. that the eligible loan documentation contains a provision triggering a mandatory prepayment upon the lender's receipt of notice from the Board or its designee that the borrower (i) has made a material misstatement with respect to specified borrower certifications; or (ii) that specified covenants made by the borrower have been materially breached;
13. that the eligible loan documentation contains a provision triggering an event of default and permitting acceleration if the borrower has defaulted on other loans made by the lender or any of its controlled affiliates (including affiliates that control the Borrower or are under common control with it) to the borrower, and the lender or its controlled affiliate has accelerated the obligations in respect of such loans;
14. the eligible loan documentation contains a financial reporting covenant requiring the borrower to deliver the required borrower financial information and calculations quarterly and annually, as specified; and
15. that, if the borrower had other loans outstanding with the lender as of December 31, 2019, such loans had an internal risk rating equivalent to a "pass" in the Federal Financial Institutions Examination Council's supervisory rating system on that date

APPENDIX D

Main Street New Loan Facility (MSNLF) Borrower Certifications

A borrower must certify that:

1. it has provided financial records to the eligible lender and a calculation of the borrower's (and, if relevant, the borrower's affiliates' and selected subsidiaries') adjusted 2019 EBITDA, reflecting only those adjustments permitted pursuant to the methodology that the borrower agreed upon with the eligible lender, and (ii) such financial records fairly present, in all material respects, the financial condition of such entities for the period covered thereby in accordance with GAAP (if applicable), consistently applied, and that such EBITDA calculations are true and correct in all material respects;
2. to its knowledge after reasonable diligence, none of its affiliates has accessed the MSPLF, the MSELF, or the PMCCF; and it has informed the eligible lender if, after reasonable diligence, it has determined that any of its affiliates has previously received, or has a pending application to receive, funds in connection with any Main Street facility, as well as the value of such funding; and
3. if the borrower is a company, all or substantially all of the assets of which comprise equity interests in other entities, the eligible loan is fully guaranteed on a joint and several basis by its selected subsidiaries.

APPENDIX E

Main Street Priority Loan Facility (MSPLF) Lender Certifications

For each loan, a lender must certify:

1. that the eligible loan was originated after April 24, 2020;
2. that the eligible loan is a term loan with a maturity of four years;
3. that the principal and interest payments under the eligible loan are deferred for one year and that unpaid interest will be capitalized;
4. that the eligible loan has an interest rate of the adjustable rate of LIBOR (1 or 3 month) plus 300 basis points;
5. that the principal amortization under the eligible loan is 15 percent at the end of the second year, 15 percent at the end of the third year, and a balloon payment of 70 percent at maturity at the end of the fourth year;
6. that the principal amount of the eligible loan at the time of origination is at least \$500,000;
7. that the principal amount of the eligible loan does not exceed \$25 million at the time of origination;
8. that, if the borrower notifies the lender that any of the borrower's affiliates has previously received, or has applied to receive, funding from the facility, based solely on the financial records provided to the lender by the borrower and the calculation of the borrower's and the borrower's affiliates' adjusted 2019 EBITDA certified to the lender by the borrower, the eligible loan is an amount that, when added to the borrower's and the borrower's affiliates' existing outstanding and undrawn available debt, does not exceed six times the borrower's and the borrower's affiliates' adjusted 2019 EBITDA;
9. that, if the borrower is a company, all or substantially all of the assets of which comprise equity interests in other entities (as certified by the borrower),
 - a. based solely on the financial records provided to the lender by the borrower and the calculation of the selected subsidiaries' aggregate adjusted 2019 EBITDA certified to the lender by the borrower, the eligible loan is in an amount that, when added to the selected subsidiaries' aggregate outstanding and undrawn available debt, does not exceed six times such selected subsidiaries' aggregate adjusted 2019 EBITDA;
 - b. each selected subsidiary has guaranteed the eligible loan on a joint and several basis; and
 - c. if the Eligible Loan is secured, then the Selected Subsidiaries' guarantees are also secured;

10. that the eligible loan is not at the time of origination contractually subordinated in terms of priority to any of the borrower's other loans or debt instruments;
11. that prepayments of principal on the eligible loan are permitted without penalty;
12. that the eligible loan documentation contains a provision triggering a mandatory prepayment upon the lender's receipt of notice from the Board or its designee that the borrower has made a material misstatement with respect to specified borrower certifications and covenants or that specified covenants made by the borrower have been materially breached;
13. that the eligible loan documentation contains a provision triggering an event of default and permitting acceleration of the eligible loan if the borrower has defaulted on other loans made by the Lender or any of its controlled affiliates (including affiliates that control the Borrower or are under common control with it) to the borrower, and the lender or its controlled affiliate has accelerated the obligations in respect of such loans;
14. that the eligible loan documentation contains a lien covenant or negative pledge covenant applicable to the borrower (and the selected subsidiaries, if any) that is of the type and contains exceptions, limitations, carve-outs, baskets, materiality thresholds, and qualifiers that are consistent with those used by the lender in its ordinary course lending to similarly situated borrowers;
15. that the eligible loan documentation contains a financial reporting covenant requiring the borrower to deliver the required borrower financial information and calculations quarterly and annually as specified;
16. that, if the eligible loan is unsecured, then, following due inquiry with respect to liens and otherwise solely in reliance on the lien and collateral valuation reporting delivered by the borrower to the lender, the lender has no knowledge or reason to believe that the borrower's other loans or debt instruments (other than mortgage debt) are secured at the time of origination of the eligible loan;
17. that, if the eligible loan is secured, then, following due inquiry with respect to other debt and otherwise solely in reliance on the lien and collateral valuation reporting delivered by the borrower to the lender, the collateral coverage ratio for the eligible loan at the time of origination of the eligible loan is either (a) at least 200 percent or (b) not less than the aggregate collateral coverage ratio for all of the borrower's other secured loans or debt instruments (other than mortgage debt);
18. that, if the eligible loan is secured by shared collateral, then, following due inquiry with respect to liens by the lender and otherwise solely in reliance on the lien and collateral valuation reporting delivered by the borrower to the lender, the lender has no knowledge or reason to believe that the lien of the lender in any shared collateral is not senior to or *pari passu* with the lien on such shared collateral that secures any of the borrower's other loans or debt instruments (other than mortgage debt) at the time of origination of the eligible loan; and

19. that, if the borrower had other loans outstanding with the lender as of December 31, 2019, such loans had an internal risk rating equivalent to a “pass” in the Federal Financial Institutions Examination Council’s supervisory rating system on that date.

APPENDIX F

Main Street Priority Loan Facility (MSPLF) Borrower Certifications

A borrower must certify that:

1. it has provided financial records to the eligible lender and a calculation of the borrower's (and, if relevant, the borrower's affiliates' and selected subsidiaries') adjusted 2019 EBITDA, reflecting only those adjustments permitted pursuant to the methodology that the borrower agreed upon with the eligible lender, and such financial records fairly present, in all material respects, the financial condition of such entities for the period covered thereby in accordance with GAAP (if applicable), consistently applied, and that such EBITDA calculations are true and correct in all material respects;
2. if the eligible loan is unsecured, then the borrower's other loans or debt instruments (other than mortgage debt) are unsecured at the time of origination of the eligible loan, as well;
3. if the eligible loan is secured, then the borrower has provided the eligible lender with
 - a. good faith valuations of any collateral security for the eligible loan (including security for the selected subsidiaries' guarantees, if applicable) at the time of origination of the eligible loan,
 - b. good faith valuations of any collateral security for each of the borrower's other loans or debt instruments (other than mortgage debt) at the time of origination of the eligible loan,
 - c. good faith calculation of the outstanding aggregate principal amount of each of the borrower's other loans or debt instruments (other than mortgage debt) at the time of origination of the eligible loan, and
 - d. confirmation as to whether any collateral security for the eligible loan (including security for the selected subsidiaries' guarantees, if applicable) is shared collateral;
4. if the eligible loan is secured, then the borrower has no knowledge or reason to believe that the lien of the eligible lender in any shared collateral is not senior to or *pari passu* with the lien on such shared collateral that secures any of the borrower's other loans or debt instruments (other than mortgage debt);
5. to its knowledge after reasonable diligence, none of its affiliates has accessed the MSNLF, the MSELF, or the PMCCF and it has informed the eligible lender if, after reasonable diligence, it has determined that any of its affiliates has previously received, or has a pending application to receive, funds in connection with any Main Street facility, as well as the value of such funding; and
6. if the borrower is a company, all or substantially all of the assets of which comprise equity interests in other entities, then the borrower must certify that the eligible loan is fully guaranteed on a joint and several basis by its selected subsidiaries and, if the Eligible Loan is secured, then the selected subsidiaries' guarantees are also secured.