

Potential Borrowers - So you want to be a Main Street Program Borrower?

Start Here

Initial Borrower Eligibility Qualifications:

- Borrower is a for-profit business established prior to March 13, 2020
- Borrower is not an “Ineligible Business” under 13 CFR 120.110
- Borrower is created or organized in the US with – together with its subsidiaries – significant operations and a majority of its employees in the US
- When aggregated with its affiliates, borrower’s affiliated group has less than 15,000 employees or less than \$5 billion of 2019 revenue (utilizing SBA’s affiliation rules under 13 CFR 121.301(f))
- No affiliate of borrower has borrowed under the PMCCF or another Main Street Program or, if an affiliate has borrowed under a Main Street Program, it is the same facility borrower seeks to use and the aggregate borrowing of all affiliates under such facility does not exceed \$25 million in the case of MSNLF and MSPLF or \$200 million in the case of MSELF
- Not subject to Conflict of Interest prohibition – i.e. none of President, VP, head of an Executive department, or Congress member, or their immediate family, owns directly or indirectly 20% or more of any class of equity in borrower
- Not “Insolvent”
- Positive 2019 Adjusted EBITDA of > \$41,666.66
- Unable to secure adequate credit accommodations from other sources

or

No – ineligible as Main Street borrower, await further updates to guidance

Yes – borrower may be eligible to incur debt under a Main Street Program

Determine appropriate Main Street Program (MSPLF, MSNLF, or MSELF⁽¹⁾)

Engage with potential lenders re: Main Street Program facility needs

Confirm borrower is prepared to make its required certifications and covenants (“C&C”) and determine maximum loan size by adjustments to 2019 EBITDA⁽²⁾

Loan Documentation Process

- Negotiate loan documents on lender’s standard forms, adjusted to comply with Main Street Program requirements
- Loan document negative covenants will include Main Street restrictions on prepayments and use of proceeds, as well as typical restrictions imposed on similarly situated borrowers including debt and lien incurrence, investments, asset sales, etc.
- Negotiate security documents, as applicable, to satisfy requirement that MSELF and MSPLF loans be senior to or pari passu with other secured debt (excluding mortgage debt)
- Restrictions will be included on share repurchases, dividends on common stock, and executive compensation for the term of the loan plus 1 year

Finalize loan documents, secure loan commitment and prepare for funding (incl. fees)

Funding (likely with prior approval of participation by Main Street SPV)

⁽¹⁾ MSELF possible only if eligible lender is an existing lender of borrower under a debt facility with at least 18 months of remaining term

⁽²⁾ C&C generally cover qualifications under “Start Here”; 2019 EBITDA adjustments must be conservative and consistent with lender’s past practice for similarly situated borrowers

Potential Lenders - So you want to be a Main Street Program lender?

Start Here

Core Main Street Lender Eligibility Qualifications:

- Satisfy “Eligible Lender” definition – generally, a US bank or US branch or agency or holding company of a foreign bank (Federal Reserve Board is considering permitting participation by private sources of capital, but still not permitted as of this date)
- Not subject to Conflict of Interest Prohibition – i.e. none of President, VP, head of an Executive department, or member of Congress, or their immediate family, owns directly or indirectly 20% or more of any class of equity interest in lender
- Not “Insolvent”

No – Ineligible as Main Street lender, await further updates to guidance

Yes – eligible as lender to loan to eligible borrowers and receive participations

Prepare and submit to Federal Reserve Bank initial eligibility documents:

- (1) Lender Certifications and Covenants (“C&C”);
- (2) Wire Instructions;
- (3) Participation and Servicing Agreements;
- (4) Assignment-in-Blank;
- (5) Co-Lender Agreement (bilateral facilities only).

Prepare Transaction Specific Lender C&C and Participation Agreement

Confirm borrower is prepared to make transaction specific C&C⁽³⁾

Main Street SPV Purchases 95% participation

Determine applicable Main Street program (MSPLF, MSELF, or MSNLF)⁽¹⁾ and min/max loan size⁽²⁾

Prepare loan documents – including collateral and security agreements consistent with program requirements, and EBITDA adjustments consistent with loan sizing, in each case consistent with ordinary course lending to similarly situated borrowers (as adjusted to reflect program terms)

Funding without binding SPV commitment to purchase participation (approval post-funding)

Funding contingent on SPV commitment to purchase participation (approval pre-funding)

or

Issue loan commitment and prepare for funding (incl. receipt of fees)

Engage with potential borrowers re: facility needs

⁽¹⁾ MSELF permissible only if eligible lender is borrower’s existing lender under facility with at least 18 months of remaining term

⁽²⁾ Minimum \$250K for MSNLF/MSPLF and \$10M for MSELF; maximum loan size generally determined as multiple of 2019 adjusted EBITDA (6x for MSPLF/MSELF and 4x for MSNLF), adjusted conservatively and consistent with past practice

⁽³⁾ Lenders may rely on borrower’s C&C, but should not be aware of (and must report) any material misrepresentation

Main Street Lending Program – Three Facilities at a Glance

Main Street New Loan Facility (MSNLF)

Term: 5 years

Interest Rate: LIBOR + 3%

Minimum Loan Size: \$250K

Maximum Loan Size: Lesser of (x) \$35M or (y) 4x 2019 adjusted EBITDA (together with outstanding and undrawn available debt)

Amortization: Principal deferred for two years and interest deferred for one year; principal due 15%, 15%, 70% in years three through five

Security: may be secured or unsecured, even if borrower has existing secured debt

Main Street Priority Loan Facility (MSPLF)

Term: 5 years

Interest Rate: LIBOR + 3%

Minimum Loan Size: \$250K

Maximum Loan Size: Lesser of (x) \$50M or (y) 6x 2019 adjusted EBITDA (together with outstanding and undrawn available debt)

Amortization: Principal deferred for two years and interest deferred for one year; principal due 15%, 15%, 70% in years three through five

Security: may be secured or unsecured, but must be senior to or pari passu with any existing secured debt of borrower (other than mortgage debt)

Main Street Expanded Loan Facility (MSELF)

Term: 5 years

Interest Rate: LIBOR + 3%

Minimum Loan Size: \$10M

Maximum Loan Size: Lesser of \$300M or (y) 6x 2019 adjusted EBITDA (together with outstanding and undrawn available debt)

Amortization: Principal deferred for two years and interest deferred for one year; principal due 15%, 15%, 70% in years three through five

Security: may be secured or unsecured, but must be senior to or pari passu with any existing secured debt of borrower (other than mortgage debt)

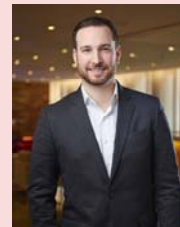
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