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## Discount Window and Intraday Credit

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<tr>
<th>Action</th>
<th>Discount Window</th>
<th>Intraday Credit</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Fed Release</strong></td>
<td>March 15</td>
<td>April 23</td>
</tr>
<tr>
<td><strong>Description</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Primary credit rate reduced to 25 bps, term extended to up to 90 days. Fed, FDIC, OCC issued statements encouraging discount window borrowing.(^1)</td>
<td>Temporary suspension of net debit caps that normally limit the amount of a depository institution’s uncollateralized daylight overdrafts; waiver of fees for daylight overdrafts. Streamlined process to allow secondary credit institutions to request collateralized daylight overdraft capacity under the max cap program.</td>
<td></td>
</tr>
<tr>
<td><strong>Eligible Borrowers</strong></td>
<td>Depository institutions.</td>
<td>Uncollateralized daylight overdrafts: Depository institutions eligible for primary credit program. Collateralized daylight overdrafts: Depository institutions that are not eligible for the primary credit program, subject to certain determinations by the Fed.</td>
</tr>
<tr>
<td><strong>Eligible Collateral</strong></td>
<td>List of eligible collateral, subject to haircuts, set forth in the <a href="#">Margins and Collateral Guidelines</a>.</td>
<td>Uncollateralized daylight overdrafts: Not applicable. Collateralized daylight overdrafts: List of eligible collateral, subject to haircuts, set forth in the <a href="#">Margins and Collateral Guidelines</a>.</td>
</tr>
<tr>
<td><strong>Rate and Fees</strong></td>
<td>Primary credit: 25 bps. Secondary credit: 75 bps. Seasonal credit: 120 bps.</td>
<td>Primary credit institutions: All fees waived. Secondary credit institutions: No change.</td>
</tr>
<tr>
<td><strong>Term</strong></td>
<td>Up to 90 days.</td>
<td>Intraday (during the Fedwire operating day, which is currently the 21.5 hour period each business day from 9:00 p.m. ET on the previous calendar day until 6:30 p.m. ET on such business day).</td>
</tr>
</tbody>
</table>

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\(^1\) At the same time, the Fed also encouraged banks to use its intraday credit facilities. On March 19, the Fed stated that it “is encouraged by the notable increase in discount window borrowing this week with banks demonstrating a willingness to use the discount window.”

Visit Davis Polk’s [Coronavirus Updates](#) and [Government Support for Business](#) webpages for information on further developments.
### Regulatory Actions

<table>
<thead>
<tr>
<th>Action</th>
<th>Reserve Requirement</th>
<th>Capital and Liquidity Buffers</th>
<th>SLR Modifications</th>
<th>Elimination of Savings Deposit Convenient Transfer Limits</th>
<th>Capital and LCR Modifications for MMLF and PPPLF Loans</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fed Release</td>
<td>March 15</td>
<td>March 15</td>
<td>April 1; May 15</td>
<td>April 24</td>
<td>March 19, April 9, May 5</td>
</tr>
<tr>
<td>Effective Date</td>
<td>March 26</td>
<td>March 15</td>
<td>April 1 (holding companies); April 1 (electing depository institutions)</td>
<td>April 24</td>
<td>March 19, April 9, May 5</td>
</tr>
</tbody>
</table>

#### Description

- **Reserve Requirement cut to zero percent.**
  - The reserve requirement is the amount of dollars that a depository institution must have standing to the credit of its account at a Federal Reserve Bank, as a percentage of its deposit liabilities.
  - Reducing the requirement to zero frees these funds to support more lending.

- **Fed, FDIC, OCC issued statements encouraging firms to use their capital and liquidity buffers to respond to the crisis.**
  - Interim final rule provides a more gradual phase-in of automatic restrictions on distributions as firms dip into their capital and liquidity buffers and approach minimum requirements.

- **Fed interim final rule requires all regulated holding companies subject to the supplementary leverage ratio (SLR) to temporarily exclude on-balance sheet U.S. Treasury securities and FRB reserves from the denominator of the SLR.**
  - The purpose of this temporary relief is to allow larger banking organizations to more easily expand their balance sheets to continue financial intermediation, but not to allow an increase in capital distributions, and will be administered that way.
  - Separately, a joint Fed/FDIC/OCC interim final rule allows, but does not require, depository institutions subject to the SLR to temporarily exclude on-balance sheet U.S. Treasury securities and FRB reserves from the denominator of the SLR.
  - A depository institution must opt in to this approach within 30 days of the interim final rule's publication in Federal Register. If a depository institution opts in, starting in Q3 2020 that depository institution must receive prior approval from its Federal banking regulator before it may make a capital distribution, or create an obligation to make such a distribution.

- **Fed interim final rule amending reserve requirements rule (Reg. D) to delete the six-per-month limit on certain kinds of transfers and withdrawals that may be made from "savings deposits."**
  - The amendments are intended to allow depository institution customers more convenient access to their funds and to simplify account administration for depository institutions.

- **Fed, FDIC, OCC interim final rule modifying the regulatory capital and Liquidity Coverage Ratio (LCR) rules to neutralize the regulatory capital and LCR impacts, respectively, associated with banking organizations' participation in the non-recourse funding provided under the Money Market Mutual Fund Liquidity Facility (MMLF) and Paycheck Protection Program Liquidity Facility (PPPLF).**
  - These facilities are summarized in Part 4 of this summary.

#### Expiration

- **Expiration**
  - Not stated.
  - Not stated.
  - Exclusions are in effect through March 31, 2021.
  - Not stated.
  - Not stated.
The Federal Reserve’s Actions to Address the Coronavirus Crisis

### Monetary Policy Actions

<table>
<thead>
<tr>
<th>Action</th>
<th>Repo Operations</th>
<th>Fed Funds Rate</th>
<th>Quantitative Easing</th>
<th>Swap Lines</th>
<th>FIMA Repo Facility</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Fed Release</strong></td>
<td>March 12</td>
<td>March 15</td>
<td>March 15</td>
<td>March 15, March 19, March 20</td>
<td>March 31</td>
</tr>
</tbody>
</table>

**Description**

- FRBNY boosted the volume of its 3-month and 1-month repo operations, each with a separate cap of $500 billion.
- FOMC cut the target range for the federal funds rate to 0 to 0.25%.
- FOMC statement: The effects of the coronavirus will weigh on economic activity in the near term and pose risks to the economic outlook... The Committee expects to maintain this target range until it is confident that the economy has weathered recent events and is on track to achieve its maximum employment and price stability goals.
- FOMC commits to increase the Fed's holdings of Treasury securities and agency MBS “in the amounts needed to support smooth market functioning and effective transmission of monetary policy to broader financial conditions,” without an explicit quantitative limit.
- FOMC also expands OMO purchases to include agency CMBS.
- For currency swap lines with non-US central banks:
  - increased frequency, now daily with ECB, BoE, and others; reduced rate to OIS + 25 bps; term extended to 84 days.

**Eligible Borrowers**

- Primary dealers.
- 14 non-U.S. central banks in major economies.
- Most non-U.S. central banks / monetary authorities with accounts at the FRBNY.

**Eligible Collateral**

- Collateral eligible for OMO, i.e. U.S. Treasuries, fully-guaranteed Agency securities, and GSE securities.
- Foreign currency of each counterparty.
- U.S. Treasury securities.

**Rate**

- Set based on dealers' bids, subject to a minimum bid rate. 0 to 0.25%
- Not applicable.
- OIS + 25 bps.
- IOER rate (currently 0.10%) + 25 bps.

**Term**

- 1 month or 3 months.
- Not applicable.
- Not applicable.
- Up to 84 days.
- Overnight.

---

2 The Fed first announced coordinated action with five central banks (ECB, BoE, and central banks of Canada, Japan, Switzerland), and on March 19 with nine more. On March 20, it announced that swaps with the first group of central banks would be conducted daily rather than weekly.

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May 22, 2020

The Federal Reserve’s Actions to Address the Coronavirus Crisis

Federal Reserve Liquidity Facilities for the Financial Sector

<table>
<thead>
<tr>
<th>Action</th>
<th>Primary Dealer Credit Facility (PDCF)</th>
<th>Term Asset-Backed Securities Loan Facility (TALF)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fed Release</td>
<td>March 17</td>
<td>March 23, April 9, May 12, May 20</td>
</tr>
<tr>
<td>Operational</td>
<td>March 20</td>
<td>First subscription date will be June 17.</td>
</tr>
<tr>
<td>DPW Memo</td>
<td>March 19</td>
<td>March 23, May 22</td>
</tr>
</tbody>
</table>

**Description**

- **PDCF**: Loans from the FRBNY to primary dealers, with full recourse, secured by eligible collateral. 
  Size: Not stated.

- **TALF**: Non-recourse loans from an SPV to eligible borrowers secured by eligible ABS collateral and pledged to the SPV, subject to haircuts.³
  FRBNY lends to the SPV with recourse, secured by all assets of SPV including eligible ABS collateral.
  Size: Up to $100 billion, with $10 billion of first-loss support from Treasury.

**Eligible Borrowers**

- Primary dealers.

**Eligible Collateral**

- Wide range, many types of investment-grade debt and equities.

- Eligible Collateral: USD cash senior ABS issued by a U.S. company and rated AAA by an eligible NRSRO; no synthetic ABS, ABS of ABS, junior AAA-rated ABS or interest- or principal-only ABS; SBA Pool Certificates and Development Company Participant Certificates must be issued on or after January 1, 2019; CMBS must be issued before March 23, 2020; other ABS must be issued on or after March 23, 2020. The FRBNY reserves the discretion to reject an ABS as collateral for any reason, even if it meets the eligibility criteria.

- Eligible Underlying Exposures: Specified exposure types:⁴ and all or substantially all of the exposures must (a) for all ABS except CLOs, be newly originated by U.S. organized entities (including U.S. branches and agencies of foreign banks), (b) for CLOs, have a lead or co-lead arranger that is a U.S. organized entity (including U.S. branches and agencies of foreign banks) and (c) for all ABS, be to U.S. domiciled obligors or with respect to real property located in the U.S. or one of its territories.

**Pricing, Rates and Fees**

- Primary credit rate.

- Eligible CLOs: 30-day average SOFR + 150 bps;
  SBA 7(a) Loans: Top of Fed Funds target range + 75 bps;
  SBA 504 Loans: 3Y OIS rate + 75 bps;
  Other ABS: 2Y/3Y OIS rate + 125 bps.
  All ABS: SPV will charge a 10 bps administrative fee.

**Term**

- Up to 90 days for PDCF.
- 3 years for TALF.

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³ Haircuts range from 5% (for, e.g., ABS of SBA loans with up to 5 years weighted average life) to 22% (for CLOs of leveraged loans with 6 to 7 years weighted average life) and largely mirror the schedule used for the TALF established for the 2008 global financial crisis.

⁴ Eligible underlying exposures are auto loans and leases, student loans, credit card receivables (both consumer and corporate), equipment loans and leases, floorplan loans, premium finance loans for property and casualty insurance, certain small business loans guaranteed by the SBA, leveraged loans and commercial mortgages. For CLOs, only static, non-CRE CLOs will be eligible collateral. CRE CLOs and single-asset single-borrower CMBS are not eligible collateral. For additional criteria for eligible underlying exposures, see our Government Support for Businesses deck.

⁵ Term of secured loan from Federal Reserve Bank to SPV or eligible borrower, as applicable.

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Visit Davis Polk’s Coronavirus Updates and Government Support for Business webpages for information on further developments.
### The Federal Reserve’s Actions to Address the Coronavirus Crisis

#### Federal Reserve Liquidity Facilities for the Financial Sector

<table>
<thead>
<tr>
<th>Action</th>
<th>Money Market Mutual Fund Liquidity Facility (MMLF)</th>
<th>Paycheck Protection Program Liquidity Facility (PPPLF)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Fed Release</strong></td>
<td>March 18, March 20, March 23</td>
<td>April 9, April 30</td>
</tr>
<tr>
<td><strong>Operational</strong></td>
<td>March 23</td>
<td>April 16</td>
</tr>
<tr>
<td><strong>DPW Memo</strong></td>
<td>March 23</td>
<td>April 14</td>
</tr>
<tr>
<td><strong>Description</strong></td>
<td>Non-recourse loans from FRB Boston to eligible borrowers, secured by eligible collateral that was purchased by eligible borrowers from eligible MMFs and pledged to FRB Boston at market value at time of purchase, without further haircuts. <strong>Interim final rule</strong> neutralizes the regulatory capital impact on eligible borrowers of holding eligible collateral. <strong>Size:</strong> Not stated. <strong>$10 billion of first-loss support from Treasury.</strong></td>
<td>A Federal Reserve Bank makes nonrecourse loans to eligible intermediary lenders, secured by PPP loans guaranteed by SBA, without haircuts. <strong>Interim final rule</strong> neutralizes the regulatory capital impact of PPP loans pledged to a Federal Reserve bank under the PPPLF. <strong>Size:</strong> Not stated. <strong>$659 billion expanded statutory limit on PPP loans.</strong></td>
</tr>
<tr>
<td><strong>Eligible Borrowers</strong></td>
<td>U.S. banks/thrifts, U.S. BHCs, 6 U.S. branches and agencies of FBOs, Eligible MMFs: Prime and municipal MMFs.</td>
<td>All lenders that are eligible to originate PPP loans.7. <strong>See our memo on the PPP program.</strong></td>
</tr>
<tr>
<td><strong>Eligible Collateral</strong></td>
<td>U.S. Treasuries and fully guaranteed agency securities; GSE-guaranteed securities; ABCP, unsecured CP; CDs issued by U.S. issuers and rated at least A1 / F1 / P1; U.S. muni short-term debt (excluding VRDNs) rated in top two categories; VRDNs puttable at option of holder and rated in top two categories; potentially certain repo receivables.</td>
<td>PPP loans made through SBA program and guaranteed by the SBA, whether originated or purchased by the intermediary lender.</td>
</tr>
<tr>
<td><strong>Pricing, Rates and Fees</strong></td>
<td>Primary rate for U.S. Treasuries and Agencies and GSE-guaranteed securities collateral; Primary + 25 bps for muni collateral; Primary + 100 bps for other collateral.</td>
<td><strong>Interest Rate:</strong> 35 bps. <strong>No fees associated with the PPPLF.</strong></td>
</tr>
<tr>
<td><strong>Term</strong></td>
<td>Equal to maturity of collateral pledged, must be ≤12 mos.</td>
<td>Same as PPP loans purchased.8</td>
</tr>
</tbody>
</table>

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6 Although SLHCs were not expressly listed, it appears that they may also be eligible borrowers because they are covered by the associated regulatory capital relief in the interim final rule.

7 Includes IDIs, credit unions, community development financial institutions, members of the Farm Credit System, small business lending companies and certain fintech companies.

8 The maturity date of the Fed’s extension of credit is accelerated if the lender realizes on the SBA guarantee or receives reimbursement from the SBA for loan forgiveness.

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# Federal Reserve Liquidity Facilities for Larger Companies – Investment Grade or Recent Fallen Angels

<table>
<thead>
<tr>
<th>Action</th>
<th>Primary Market Commercial Credit Facility (PMCCF)</th>
<th>Secondary Market Commercial Credit Facility (SMCCF)</th>
<th>Commercial Paper Funding Facility (CPFF)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fed Release</td>
<td>March 23, April 9</td>
<td>March 23, April 9</td>
<td>March 17, March 23</td>
</tr>
<tr>
<td>Operational</td>
<td>Not yet operational.</td>
<td>Began purchasing eligible ETFs on May 12.</td>
<td>April 14</td>
</tr>
<tr>
<td>DPW Memo</td>
<td>March 26, May 22</td>
<td>March 26, May 22</td>
<td>March 23, May 22</td>
</tr>
<tr>
<td>Description</td>
<td>SPV buys at issuance eligible corporate bonds as sole investor or portions (no more than 25%) of syndicated corporate loans or bonds.</td>
<td>SPV buys on secondary market from eligible sellers eligible corporate bonds issued by eligible issuers and eligible ETFs.</td>
<td>SPV buys commercial paper from U.S. issuers, including financial and commercial companies and munis.</td>
</tr>
<tr>
<td></td>
<td>FRBNY lends to single, common SPV for both PMCCF and SMCCF with recourse, secured by all assets of SPV including eligible bond and ETF collateral, without haircuts.</td>
<td>Combined size of PMCCF and SMCCF: Up to $750 billion, with $75 billion of first-loss support from Treasury, with $50 billion earmarked for PMCCF and $25 billion earmarked for SMCCF.</td>
<td>FRBNY lends to the SPV, with recourse, secured by all assets of the SPV including purchased CP, without haircuts.</td>
</tr>
<tr>
<td></td>
<td>Eligible Issuers: U.S. companies, other than IDIs or depository institution holding companies, that were investment grade as of March 22, 2020. If the issuer was investment grade as of March 22, 2020 but is no longer investment grade (a fallen angel), the issuer must be rated at least BB-/Ba3 at the time the Facility makes a purchase. Must not have received specific support pursuant to the CARES Act or any subsequent federal legislation and that satisfy the conflict of interest requirements in CARES Act section 4019, which apply to businesses owned or controlled by a covered U.S. government official.</td>
<td>Eligible Issuers: U.S. companies. Businesses must also satisfy the conflicts-of-interest requirements of section 4019 of the CARES Act.</td>
<td>Eligible Issuers: U.S. CP issuers (including U.S. subsidiaries of foreign parents).</td>
</tr>
<tr>
<td></td>
<td>Issuer cannot participate in Main Street facilities.</td>
<td>Eligible Sellers to the Facility: U.S. companies. Businesses must also satisfy the conflicts-of-interest requirements of section 4019 of the CARES Act.</td>
<td></td>
</tr>
<tr>
<td>Eligible Issuers / Sellers / Borrowers</td>
<td>Corporate bonds or syndicated corporate loans or bonds issued by an eligible issuer with a maturity of 4 years or less.</td>
<td>Corporate bonds issued by an eligible issuer with a remaining maturity of 5 years or less. Not applicable to syndicated loans. Preponderance of the SMCCF’s ETF holdings will be ETFs whose primary investment objective is exposure to U.S. IG corporate bonds; remainder will be ETFs whose primary investment objective is exposure to U.S. HY corporate bonds.</td>
<td>Corporate bonds or syndicated corporate loans or bonds issued by an eligible issuer with a maturity of 4 years or less.</td>
</tr>
<tr>
<td>Eligible Assets to Purchase</td>
<td>Corporate bonds or syndicated corporate loans or bonds issued by an eligible issuer with a maturity of 4 years or less.</td>
<td>Corporate bonds issued by an eligible issuer with a remaining maturity of 5 years or less. Not applicable to syndicated loans. Preponderance of the SMCCF’s ETF holdings will be ETFs whose primary investment objective is exposure to U.S. IG corporate bonds; remainder will be ETFs whose primary investment objective is exposure to U.S. HY corporate bonds.</td>
<td>Corporate bonds or syndicated corporate loans or bonds issued by an eligible issuer with a maturity of 4 years or less.</td>
</tr>
<tr>
<td>Pricing, Rates and Fees</td>
<td>Corporate bonds: Issuer-specific pricing “informed by market conditions,” plus a 100 bps facility fee</td>
<td>Purchase price = fair market value on secondary market. Facility will avoid purchasing ETFs trading at prices that materially exceed estimated NAV.</td>
<td>Purchase price of CP based on 3-month OIS + 110 bps for A1/P1/F1-rated collateral; 3-month OIS + 200 bps for A2/P2/F2 rated collateral.</td>
</tr>
<tr>
<td>Term†</td>
<td>Same as assets purchased by SPV.</td>
<td>Same as CP purchased by SPV.</td>
<td>Same as CP purchased by SPV.</td>
</tr>
</tbody>
</table>

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9 For purposes of PMCCF and SMCCF, a “U.S. company” means a business that is created or organized in the United States, or under the laws of the United States, with significant operations in and a majority of its employees based in the United States.
The Federal Reserve’s Actions to Address the Coronavirus Crisis

Federal Reserve Liquidity Facilities for Main Street Business Entities

<table>
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<tr>
<th>Action</th>
<th>Main Street New Loan Facility (MSNLF)</th>
<th>Main Street Priority Loan Facility (MSPLF)</th>
<th>Main Street Expanded Loan Facility (MSELF)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fed Release</td>
<td>April 9, April 30</td>
<td>April 30</td>
<td>April 9, April 30</td>
</tr>
<tr>
<td>Operational</td>
<td>Not yet operational.</td>
<td>Not yet operational.</td>
<td>Not yet operational.</td>
</tr>
<tr>
<td>DPW Memo</td>
<td>May 3, May 4</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Description**

- **FRB Boston lends to a single, common SPV for all Main Street facilities,** with recourse, secured by all assets of SPV including participations in eligible loans or upsized tranches of eligible loans, without haircuts. SPV and eligible lender share risk in eligible loans on a pari passu basis, with the lender retaining its interest until the loan matures or the SPV sells its interest.

- **Combined size of Main Street facilities:** Up to $600 billion, with combined first-loss support from Treasury of $75 billion.

**Eligible Borrowers**

- **For-profit business entities, subject to certain exceptions**, created or organized in the United States before March 13, 2020, with up to 15,000 employees or up to $5 billion in 2019 annual revenues. Must have significant operations and a majority of employees based in the United States.

- **Borrowers may participate in only one of MSNLF, MSELF, MSPLF and PMCCF and must not have received specific support under Subtitle A of Title IV of the CARES Act.**

- **Eligible borrowers are permitted to participate in both a Main Street program and the PPP.**

**Eligible Loans**

- **Minimum and Maximum Loan Sizes:** $500,000 to the lesser of (1) $25 million or (2) the amount that, together with existing outstanding and undrawn available debt, does not exceed 4x adjusted 2019 EBITDA.

- **Minimum and Maximum Loan Sizes:** $500,000 to the lesser of (1) $25 million or (2) the amount that, together with existing outstanding and undrawn available debt, does not exceed 6x adjusted 2019 EBITDA.

- **Minimum and Maximum Loan Sizes:** $10 million to lesser of (1) $200 million, (2) 35% of borrower’s existing outstanding and undrawn available pari passu debt with equivalent secured status, or (3) the amount that, together with existing outstanding and undrawn available debt, does not exceed 6x adjusted 2019 EBITDA.

**Eligible Lenders**

- **U.S. IDIs, U.S. branches and agencies of foreign banks, U.S. BHCs, U.S. SLHCs, U.S. IHCs of foreign banking organizations, and U.S. subsidiaries of any of the foregoing.**

**Eligible Assets to Purchase**

- **Eligible Loans:** Secured or unsecured term loans originated by eligible lenders to eligible borrowers after April 24, 2020, subject to various conditions including priority requirements, a 4-year maturity, a 1-year payment deferral, a prescribed amortization schedule, and an interest rate of LIBOR + 300 bps.

**Pricing, Rates and Fees**

- **Transaction Fee:** Eligible lender pays SPV a transaction fee of 100 bps of the principal amount of the eligible loan. May require the eligible borrower to pay this fee.

- **Origination Fee:** Eligible borrower pays eligible lender an origination fee of up to 100 bps of the principal amount of the eligible loan.

- **Servicing Fee:** SPV pays eligible lenders 25 bps per annum for loan servicing.

**Term**

- **Same as assets purchased by SPV.**

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10 An ineligible business is any type of business listed in 13 C.F.R. § 120.110(b)-(j) and (m)-(s). See our memo for details.

11 For purposes of the employee and revenue thresholds, an eligible borrower is aggregated with its affiliates using the framework set out in SBA regulations. The PPP affiliation exceptions do not apply.

12 A company is not eligible for a Main Street loan if it has received support under section 4003(b)(1)-(3) of the CARES Act, which authorizes Treasury to provide loans or guarantees to air carriers, certain related companies and businesses that are critical to national security.

13 If an eligible loan is secured at the time of upsizing or on any subsequent date, the corresponding upsized tranche must be secured on a pro rata basis by the same collateral.

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### Federal Reserve Liquidity Facilities for Municipalities

<table>
<thead>
<tr>
<th>Action</th>
<th>Description</th>
<th>Eligible Issuers</th>
<th>Eligible Assets to Purchase</th>
<th>Pricing, Rates and Fees</th>
<th>Term&lt;sup&gt;5&lt;/sup&gt;</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fed Release</td>
<td>SPV buys newly-issued short-term notes issued by and directly from eligible issuers. FRBNY lends with recourse to the SPV. Proceeds may be used to manage cash flow impact associated with (a) income tax deferrals, (b) deferrals or reductions in tax revenues or increases in expenses due to COVID-19 pandemic, and (c) principal and interest payments on obligations of the eligible issuer or its political subdivisions or other governmental entities. Size: Up to $500 billion, with $35 billion in first-loss support from Treasury.</td>
<td>U.S. states (defined to include D.C.), U.S. cities with &gt; 250,000 residents, U.S. counties with &gt; 500,000 residents, multi-state entities, and at Fed discretion, governmental entities that issue on behalf of such states, cities and counties. Must be rated investment grade by two or more major NRSROs as of April 8, 2020. If the issuer was investment grade as of April 8, 2020 but subsequently downgraded (a fallen angel), the issuer must be rated at least BB-/Ba3 by at least two NRSROs at the time of its issuance of notes to the SPV. If the issuer was rated by only one major NRSRO as of April 8, 2020, it is nonetheless eligible if it was investment grade at that time, it is rated by at least two major NRSROs at the time of its issuance of notes to the SPV and such ratings at the time of the issuance are at least BB-/Ba3. Multi-state entities are subject to more stringent ratings criteria.</td>
<td>Tax anticipation notes (TANs), tax and revenue anticipation notes (TRANs), bond anticipation notes (BANs) and other similar short-term notes issued by an eligible issuer, subject to Federal Reserve review and approval of the source of repayment and security, in all cases with a maturity of not more than 36 months, plus prepayable at par (or, if the Eligible Notes are purchased at a premium, par plus unamortized premium) plus accrued interest by the issuer with SPV approval.</td>
<td>Pricing is based on a methodology set forth in the MLF’s Pricing Appendix at the end of the term sheet. For tax-exempt eligible notes, the fixed interest rate will be the OIS rate plus a predetermined spread based on the long-term rating of the security for the notes. Taxable eligible notes have the pricing of tax-exempt eligible notes, divided by 0.65. Split credit ratings generally will be addressed using an average rating. 10 bpsorigination fee.</td>
<td>Same as assets purchased by SPV.</td>
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