



COVID-19: Main Street New Loan Facility FAQ

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For those looking for funding opportunities, the [Main Street New Loan Facility \(MSNLF\)](#) provides a well-defined loan option with great terms that will help you take care of your costs and keep your business going. Here we provide answers to questions about how the program works.

WHO CAN USE THIS PROGRAM?

Any company with either:

- Up to 10,000 employees
- Up to \$2.5 billion in 2019 annual revenues.

The business must also be either:

- Created in the United States
- Organized in the United States
- Have significant operations in and a majority of its employees based in the United States

IF I HAVE A LOAN FROM THE PAYCHECK PROTECTION PROGRAM, AM I EXCLUDED FROM THE MSNLF?

No, you are able to utilize both programs.

ARE THERE ANY PROGRAMS I WILL BE EXCLUDED FROM?

Yes, you will not be eligible to participate in the [Main Street Expanded Loan Facility \(MSELF\)](#) or the [Primary Market Corporate Credit Facility \(PMCCF\)](#).

WILL THIS LOAN BE FORGIVEN LIKE THE PAYCHECK PROTECTION PROGRAM?

No, this loan has favorable terms, but it must be repaid.

WHAT ARE THE TERMS OF A MSNLF?

A loan qualifies as a Main Street New Loan Facility if it has:

- A 4-year maturity
- No required payment on the loan for one year
- A secured overnight financing rate (SOFR) of 2.5% to 4%
- Prepayment permitted without penalty

- Minimum loan size of \$1 million
- Maximum loan size that is the lesser of:
 - \$25 million
 - An amount that, when added to the eligible borrower's existing outstanding and committed but undrawn debt, does not exceed four times the eligible borrower's 2019 earnings before interest, taxes, depreciation, and amortization (EBITA)—[committed but undrawn debt + MSNLF principal < 4*EBITA]

ARE THERE ANY FEES I SHOULD BE AWARE OF?

There will be an origination fee of 1% of the principal of the loan. There also is a chance that your bank will charge you a 1% facility fee.

WHAT CAN I NOT SPEND THIS LOAN ON?

When you apply for the loan you must commit to refrain from spending the loan on:

- Other loan balances
- Repaying other debt of equal or lower priority, with the exception of mandatory principal payments (Until you have repaid the MSNLF)

WHAT ARE THE OTHER STATEMENTS I MUST COMMIT TO IN ORDER TO APPLY FOR THIS LOAN?

You must attest that:

- You will not seek to cancel or reduce any outstanding lines of credit with the lending bank or any other lenders.
- Your business requires financing due to the exigent circumstances presented by the COVID-19 pandemic, and that, using the proceeds of MSNLF, it will make reasonable efforts to maintain its payroll and retain its employees during the term of the Loan.



- You have no conflicts of interest as outlined by 4019(b) of the CARES Act.
- You will follow compensation, stock repurchase, and capital distribution restrictions that apply to direct loan programs under section [4003\(c\)\(3\)\(A\)\(ii\) of the CARES Act](#):
 - (I) until the date 12 months after the date on which the direct loan is no longer outstanding, not to repurchase an equity security that is listed on a national securities exchange of the eligible business or any parent company of the eligible business while the direct loan is outstanding, except to the extent required under a contractual obligation that is in effect as of the date of enactment of this act.
 - (II) until the date 12 months after the date on which the direct loan is no longer outstanding, not to pay dividends or make other capital distributions with respect to the common stock of the eligible business.
 - [\[Section 4004 \(a\)\(I\)\]](#) No officer or employee of the eligible business whose total compensation exceeded \$425,000 in calendar year 2019 (other than an employee whose compensation is determined through an existing collective bargaining agreement entered into prior to March 1, 2020).
 - (A) will receive from the eligible business total compensation which exceeds, during any 12 consecutive months of such period, the total compensation received by the officer or employee from the eligible business in calendar year 2019: or
 - (B) will receive from the eligible business severance pay or other benefits upon termination of employment with the eligible business which exceeds twice the maximum total compensation received by the officer or employee from the eligible business in calendar year 2019.

