FAQs: Term Asset-Backed Securities Loan Facility

The following set of initial FAQs is intended to address certain questions about the Term Asset-Backed Securities Loan Facility (TALF). The Federal Reserve will update these FAQs from time to time; please check this website for new FAQs or revisions to a previously issued FAQ.

Effective May 12, 2020

GENERAL

Why is the Federal Reserve establishing the TALF?
Securitization markets fund a substantial share of credit to consumers and businesses. Recently, however, the securitization markets, along with all other financial markets, have been under considerable strain as a result of the disruptions associated with the coronavirus. This disruption has resulted in a significant increase in the interest rate spreads on these securities and a near-halt of new issuance in many sectors. The continued disruption of these markets could further squeeze the liquidity and balance sheet capacity of financial institutions, thereby significantly limiting the flow of credit to households and businesses of all sizes and amplifying the current economic disruption.

Pursuant to Section 13(3) of the Federal Reserve Act, and with the prior approval of the Secretary of the Treasury, the Board of Governors of the Federal Reserve System (Board) authorized the Federal Reserve Bank of New York (New York Fed) to establish the Term Asset-Backed Securities Loan Facility (TALF) to help facilitate the issuance of asset-backed securities (ABS), stabilize ABS markets, and support the availability of credit to households and businesses.

How will the TALF work?
Under the TALF, the New York Fed will lend to a special purpose vehicle (TALF SPV), which will provide non-recourse funding to eligible borrowers owning eligible collateral. On fixed days each month, borrowers will be able to request one or more three-year TALF loans. Loan proceeds will be disbursed to the borrower, contingent on receipt by the TALF SPV's custodian bank (custodian) of the eligible collateral, an administrative fee, and margin, if applicable. As each TALF loan will be non-recourse to the borrower, if the borrower does not repay the loan, the TALF SPV will enforce its rights in the collateral.

The New York Fed will publish a Master Loan and Security Agreement (MLSA), which will provide further details on the terms that will apply to borrowings under the TALF. These FAQs, together with the terms of MLSA and the terms announced by the Board, will constitute the terms and conditions applicable to any TALF loan.

The TALF loans will be non-recourse except for breaches of representations, warranties and covenants, as further specified in the MLSA.

How is the U.S. Treasury supporting the TALF?
The Secretary of the Treasury approved the establishment of the TALF, and the Department of the Treasury, using funds appropriated to the Exchange Stabilization Fund under section 4027 of the Coronavirus Aid, Relief, and Economic Security Act ("CARES Act"), will make a $10 billion equity investment in the TALF SPV.

When will the TALF become operational?
Further information will be forthcoming.

Over what time period will the TALF operate?
No new TALF loans will be made after September 30, 2020 (TALF Termination Date), unless the Board and the Secretary of the Treasury extend the facility.

Where should questions regarding the TALF be directed?
Questions should be submitted via email to NYTALF@ny.frb.org.

How may I receive updates regarding changes to TALF documents?
Sign up for email alerts.

Will the Federal Reserve disclose information regarding the TALF?
The Federal Reserve will publicly disclose information on a monthly basis regarding the TALF during the operation of the facility, including information identifying each borrower and other participant in the facility, information identifying each Material Investor of a borrower, the amount borrowed by each borrower, the interest rate paid by each borrower, the types and amounts of

ABS collateral pledged by each borrower, and overall costs, revenues, and other fees for the facility. A Material Investor is a person who owns, directly or indirectly, 10 percent or more of any outstanding class of securities of an entity.

Balance sheet items related to the TALF SPV and TALF will be reported weekly, on an aggregated basis, on the H.4.1 statistical release titled "Factors Affecting Reserve Balances of Depository Institutions and Condition Statement of Federal Reserve Banks," published by the Federal Reserve.

In addition, the Federal Reserve will disclose to Congress information pursuant to Section 13(3) of the Federal Reserve Act, as amended by the Dodd-Frank Wall Street Reform and Consumer Protection Act, and the Board's Regulation A.

BORROWER ELIGIBILITY

Who may borrow under the TALF?
A U.S. business that owns eligible collateral may borrow from the TALF if it is (a) created or organized in the United States or under the laws of the United States, (b) has significant operations in and a majority of its employees based in the United States, and (c) maintains an account relationship with a TALF Agent.

How is "significant operations in and a majority of its employees based in the United States" evaluated for purposes of meeting the eligibility requirement that a borrower be a U.S. business?
If a borrower is not an investment fund (as defined below), the borrower, on a consolidated basis (i.e., together with its consolidated subsidiaries), must have significant operations in and a majority of its employees based in the United States, and the Federal Reserve would not consider any parent company or sister affiliate under this test.

For a borrower organized as an investment fund, the investment manager must have significant operations in and a majority of its employees based in the United States.

What does "significant operations in the United States" mean?
While not an exhaustive definition, the following are examples of what would constitute significant operations in the United States for a borrower seeking to participate in the TALF:

A borrower (or an investment manager in the case of investment funds) with greater than 50 percent of its 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 United States as reflected in its most recent audited financial statements.

Is a U.S. subsidiary or U.S. branch or agency of a foreign bank considered to be created or organized in the United States or under the laws of the United States for purposes of meeting the eligibility requirement that a borrower be a U.S. business?
Yes, a U.S. subsidiary or U.S. branch or agency of a foreign bank would be considered to be created or organized in the United States or under the laws of the United States for purposes of meeting the U.S. business requirement, as described in the above FAQ, but such branch or agency must also satisfy all of the other relevant criteria to qualify as an eligible borrower under the TALF.

Is a U.S. business with a Material Investor that is a foreign government eligible to borrow under the TALF?
No, a U.S. business with any Material Investor that is a foreign government is not eligible to borrow under the TALF. In addition, in the case of an investment fund that borrows under the TALF, the investment manager of such an investment fund must not have any Material Investors that are foreign governments.

What representations or information will TALF borrowers be required to provide to the TALF Agent?
Under the MLSA, each borrower makes a continuous representation that such borrower is an eligible borrower, which requires the borrower to at all times meet the eligibility requirements (as described in these FAQs). Accordingly, a TALF borrower is expected to have a mechanism for continuously monitoring its direct and indirect investors as long as the TALF loan is outstanding. If any entity's direct or indirect ownership interest in the borrower reaches the Material Investor threshold (as defined above), the borrower must escalate such Material Investor to its TALF Agent for due diligence review. These eligibility requirements will be included in the MLSA.

What certifications or attestations will TALF borrowers be required to make?
A TALF borrower will be required to certify that it is unable to secure adequate credit accommodations from other banking institutions and that it is not insolvent. Each eligible borrower will also be required to certify as to the conflicts of interest requirements of section 4019 of the CARES Act. The borrower certifications with more detailed instructions will be forthcoming.

For the purposes of participating in the TALF, what does it mean for a TALF borrower to certify that it is unable to secure adequate credit accommodations?

As discussed above in the first FAQ, the Board authorized the establishment of the TALF in response to market dislocations in the ABS markets. In the days prior to the initiation of the program, there was a significant rise in the interest rate spreads on ABS, including on ABS traded in the secondary market, and new issuance in many ABS sectors nearly halted. Under ordinary circumstances, issuers of ABS would have been able to issue new ABS in the primary market with little disruption, and sellers of ABS would have been able to sell with relative ease. The New York Fed must obtain evidence that participants in the TALF are unable to secure adequate credit accommodations from other banking institutions. This certification may be based on unusual economic conditions in the market or markets intended to be addressed by the TALF. Lack of adequate credit does not mean that no credit is available. Lending may be available, but at prices or on conditions that are inconsistent with a normal, well-functioning market.

What forms of business entities and institutions may borrow from the TALF?
Eligible business entities or institutions include entities organized as limited liability companies, partnerships, banks, corporations, and business or other non-personal trusts.

Is the TALF designed to provide loans directly to businesses or consumers?
No, the TALF is designed to increase credit availability for businesses and consumers by facilitating the issuance of ABS backed by loans to consumers and businesses at more normal interest rate spreads.

What types of investment funds are eligible borrowers?
Investment funds that are created or organized in the United States and managed by an investment manager that is created or organized in the United States and has significant operations in and a majority of its employees based in the United States are eligible borrowers for purposes of the TALF.

What is an "investment fund" for purposes of the TALF eligible borrower definition?
An investment fund includes (1) any type of pooled investment vehicle that is organized as a business entity or institution, including without limitation a hedge fund, a private equity fund, and a mutual fund, and (2) any type of single-investor vehicle that is organized as a business entity or institution.

To be considered an eligible borrower, does an investment fund need to primarily or exclusively invest in TALF eligible ABS or can it be a multi-strategy fund?
An eligible investment fund includes funds that only invest in TALF eligible ABS and only borrow from the TALF, as well as funds that invest in a mix of TALF eligible ABS and other assets.

Can a newly formed investment fund borrow from the TALF?
Yes, as long as it satisfies all the eligible borrower requirements set forth above.

Can a company that originates loans securitize its own loan originations, acquire the triple-A-rated tranche of the securitization, and finance it using the TALF?
No, eligible collateral for a particular borrower must not be backed by loans originated or securitized by the borrower or by an affiliate of the borrower.

A borrower, however, is not restricted from using an SBA Pool Certificate or Development Company Participation Certificate as collateral for its TALF loan even if the loans underlying the SBA ABS were originated by such borrower or its affiliates, provided that the borrower has no knowledge that the loans were originated by it or its affiliates. For purposes of this requirement, the definition of "affiliate" shall be as set forth in the MLSA.

Can a borrower under a commercial mortgage loan that backs a commercial mortgage backed security (CMBS), or an affiliate of such a borrower, borrow from the TALF and pledge the same CMBS as collateral?
A CMBS will not be eligible collateral for a particular borrower if the borrower is, or is an affiliate of, a borrower under a mortgage loan backing the CMBS, unless that loan, and each other mortgage loan in the CMBS mortgage pool made to an affiliate of the TALF borrower, together constitute no more than five percent of the aggregate principal balance of the mortgage loans in the pool as of the subscription date. For purposes of this requirement, the definition of "affiliate" shall be as set forth in the MLSA.

Can a borrower under a floorplan loan or a lessee under a fleet lease that backs an ABS, or an affiliate of such a borrower or lessee, borrow from the TALF and pledge the same ABS as collateral?
An ABS will not be eligible collateral for a particular borrower if the borrower is, or is an affiliate of, an obligor under a floorplan loan, a rental fleet lease, or a commercial or government fleet lease backing the ABS, unless that loan or lease, and each other loan or lease in the ABS pool made to the borrower or its affiliate, together constitute no more than 10 percent of the aggregate principal balance of all of the loans or leases in the pool as of the subscription date. For purposes of this requirement, the definition of "affiliate" shall be as set forth in the MLSA. In the case of leases, the term "aggregate principal balance" refers to the securitization value of the leases in the pool.

Can a borrower under a leveraged loan that backs a collateralized loan obligation (CLO), or an affiliate of such a borrower, borrow from the TALF and pledge the same CLO as collateral?
A CLO will not be eligible collateral for a particular borrower if the borrower is, or is an affiliate of, a borrower under a leveraged loan backing the CLO, unless that loan, and each other leveraged loan in the CLO loan portfolio made to an affiliate of the TALF borrower, together constitute no more than four percent of the aggregate principal balance of the leveraged loans in the loan portfolio as of the subscription date. For purposes of this requirement, the definition of "affiliate" shall be as set forth in the MLSA. In the case of leveraged loans, the term "aggregate principal balance" refers to the securitization value of the leveraged loans in the pool.

Can a manufacturer, producer or seller of a product, or the provider of a service, the sale, provision or lease of which is financed by the loans or leases in a pool supporting an ABS, borrow from the TALF and pledge the same ABS as collateral?
An ABS will not be eligible collateral for a particular borrower if the borrower, or any of its affiliates, is the manufacturer, producer or seller of any products, or the provider of any services, the sale, provision, or lease of which is financed by the loans or leases in the pool supporting that ABS unless the loans or leases relating to such products or services together constitute no more than ten percent of the aggregate principal balance of the loans and leases in the pool supporting such ABS as of the subscription date of such ABS. For purposes of this requirement, products include financial products such as insurance, and services include education, and the definition of "affiliate" shall be as set forth in the MLSA. In the case of leases, the term "aggregate principal balance" refers to the securitization value of the leases in the pool.

ELIGIBLE ABS

What types of ABS are eligible collateral under the TALF?
Eligible collateral (eligible ABS) include U.S. dollar-denominated cash (that is, not synthetic) ABS that (i) have a credit rating in the highest long-term or, if no long-term rating is available, the highest short-term investment-grade rating category from at least two eligible nationally recognized statistical rating organizations (NRSROs) (ii) do not have a credit rating below the highest investment-grade rating category from an eligible NRSRO and (iii) contain underlying assets as described in "ELIGIBLE UNDERLYING ASSETS FOR ABS" below.

For CLOs, only static CLOs collateralized by leveraged loans are eligible collateral, as described more fully below. The manager of a CLO must have its principal place of business in the U.S. CLOs backed by commercial real estate are not eligible collateral.

CMBS may not be backed by only a single asset or obligations to only a single borrower. The CMBS must entitle its holders to payments of principal and interest (that is, must not be an interest-only or principal-only security). Each CMBS must bear interest at a pass-through rate that is fixed or based on the weighted average of the underlying fixed mortgage rates.

Eligible small business ABS include ABS that are, or for which all of the underlying assets are, fully guaranteed by the full faith and credit of the U.S. government.

Eligible ABS do not include ABS that bear interest payments that step up or step down to pre-determined levels on specific dates.

Eligible ABS must be cleared through the Depository Trust Company.

With the exception of CMBS and SBA Pool Certificates or Development Company Participation Certificates, eligible ABS must be issued on or after March 23, 2020. CMBS issued on or after March 23, 2020, will not be eligible. SBA Pool Certificates or Development Company Participation Certificates must be issued on or after January 1, 2019.

The set of permissible underlying assets of eligible ABS may be expanded later to other asset classes.

Will floating-rate ABS that references LIBOR be eligible collateral for TALF loans?
Yes. For the TALF, however, the Federal Reserve generally will expect any ABS benchmarked to LIBOR to include adequate fallback language, such as that recommended by the Alternative Reference Rates Committee or substantially similar fallback language.

May investors borrow against ABS they already own?
An investor may borrow against any eligible ABS. If eligible ABS are not issued on the same day the investor borrows from the TALF, the ABS must be acquired in arms-length secondary market transactions within 30 days prior to the relevant loan subscription date.

Can a borrower exercise voting rights under an ABS that is used as eligible collateral?
A TALF borrower must agree not to exercise, or refrain from exercising, any voting, consent or waiver rights, or any rights to direct, initiate, recommend or approve any action, under an ABS that is used as eligible collateral without the consent of the New York Fed.

Is there a minimum or maximum maturity or average life limit for ABS that are eligible collateral for a TALF loan?
There is no minimum maturity limit. If an ABS's maturity is shorter than the three-year TALF loan, the TALF loan will mature upon maturity of the ABS collateral for that loan. The average life for credit card, auto, equipment, floorplan, and premium finance ABS cannot be greater than five years. The average life for SBA Pool Certificates and private student loan ABS cannot be greater than seven years. The average life for Development Company Participation Certificates, CMBS, and CLOs cannot be greater than ten years.

Are zero coupon ABS eligible as collateral for the TALF?
No, zero coupon ABS are not eligible as TALF collateral.

Are privately placed ABS eligible collateral for a TALF loan, provided they meet all of the eligibility requirements?
Yes.

Would ABS be eligible collateral if the ABS issuance provides for prefunding or the retention of issuance proceeds in anticipation of application thereof to the purchase of additional receivables?
No.

If the issuer of an ABS has an option to redeem such ABS prior to the maturity date (other than pursuant to a customary clean-up call), is the ABS eligible to secure a TALF loan?
No, a borrower may not pledge a newly issued ABS with a redemption option exercisable prior to three years after the disbursement date of any TALF loan secured by the pledge of such ABS, other than pursuant to a customary clean-up call. Additionally, a newly issued ABS shall not permit redemption options any time when such ABS is owned by the New York Fed or by the TALF SPV. For these purposes, a "customary clean-up call" with respect to a sponsor and its securitization refers to the clean-up call which is exercisable by the servicer or the depositor when the remaining balance of the assets or the liabilities of the issuer is not more than 10 percent (or a higher percentage customarily used by the sponsor in its securitizations that were offered before the TALF program was established) of the original balance of such assets or liabilities.

What is a static CLO?
For purposes of the TALF, a static CLO is a CLO that does not include a period of reinvestment of collateral proceeds, including principal or interest proceeds and proceeds on the sale of defaulted underlying leveraged loans, unless such period of reinvestment begins at least three years after the disbursement date of any TALF loan secured by the pledge of such CLO. Additionally, a static CLO shall not permit reinvestment of proceeds at any time when the senior-most tranche in priority of payment (or, if the CLO structure includes multiple senior tranches that are pari passu in priority of payment, one or more of such senior tranches) is owned by the New York Fed or by the TALF SPV.

For the avoidance of doubt, eligible CLOs may permit loans to be sold for cash at their par amount, plus accrued interest, to a sponsor where the cash proceeds are applied to amortize the CLO.

Are sales of defaulted underlying assets permissible for eligible CLOs?
Yes, CLO managers are permitted to sell underlying loans that have defaulted in payment of principal and interest. However, proceeds of such sales may not be reinvested and must be used to amortize the CLO.

What seniority is required for CMBS?
CMBS must not have been junior to other securities with claims on the same pool of loans.

May CMBS that receive principal later (e.g., Class A-2) than the other most senior CMBS classes (e.g., Class A-1) but are otherwise pari passu with such other senior CMBS, qualify for TALF financing?
Yes, the exclusion of "junior" CMBS refers to subordination for credit support, not to a later position in the time tranche sequence.

Are ABS positions retained by a sponsor or affiliate to satisfy obligations under risk retention rules eligible collateral for TALF?
No. TALF loans are non-recourse loans and cannot be used to finance ABS positions held to satisfy risk retention obligations.

ELIGIBLE UNDERLYING ASSETS FOR ABS

To be eligible ABS, what are the types and characteristics of the underlying assets?
All or substantially all of the credit exposures underlying the eligible ABS must (1) for newly issued ABS, except CLOs, be originated by U.S.-organized entities (including U.S. branches or agencies of foreign banks), (2) for CLOs, have a lead or a co-lead arranger that is a U.S.-organized entity (including a U.S. branch or agency of a foreign bank), and (3) for all ABS, (including CLOs and CMBS), be to U.S.-domiciled obligors or with respect to real property located in the United States or one of its territories.

The underlying assets must not include exposures that are themselves cash ABS or synthetic ABS.

For credit card, auto lease, floorplan and equipment lease securitizations, the underlying exposures may include financial assets that represent an interest in or the right to payments or cash flows from another asset pool (intermediate securities) created in the normal course of business solely to facilitate the issuance of an ABS. In such cases, for purposes of determining whether the exposures underlying an ABS meet the eligibility requirements for TALF collateral, the assets underlying the intermediate securities are considered to be the underlying exposures of the ABS itself.

Auto Receivables
Auto-related receivables will include retail loans and leases relating to cars, light trucks, motorcycles and other recreational vehicles; commercial and government fleet leases; and commercial loans secured by vehicles and the related fleet leases of such vehicles to rental car companies. Loans and leases relating to other recreational vehicles include loans and leases for all recreational vehicle types designed for consumer use that have collateralized ABS transactions in the past, such as recreational vehicles (RVs), boats, trailers and sports vehicles. Commercial, government and rental fleet ABS may include loans and/or leases related to any type of vehicle that have collateralized fleet securitizations in the past. Retail (non-fleet) leases to commercial obligors in amounts not to exceed 15 percent of the total pool of leases may also collateralize prime auto retail lease ABS.

All or substantially all of the assets underlying eligible auto loan ABS issued by a non-revolving trust must have been originated on or after January 1, 2019. Eligible auto ABS issued by an existing revolving (or master) trust must be issued to refinance existing auto ABS maturing prior to the TALF Termination Date and must be issued in amounts no greater than the amount of the maturing ABS, as discussed further in FAQs under the "Master Trust Requirements" section. In the case of a master trust established on or after March 23, 2020, all or substantially all of the assets underlying eligible auto loan ABS must have been originated on or after January 1, 2020.

Credit Card Receivables
Eligible credit card receivables will include both consumer and corporate credit card receivables. Eligible credit card ABS issued by an existing revolving (or master) trust must be issued to refinance existing credit card ABS maturing prior to the TALF Termination Date and must be issued in amounts no greater than the amount of the maturing ABS, as discussed further in FAQs under the "Master Trust Requirements" section. In the case of a master trust established on or after March 23, 2020, all or substantially all of the assets underlying eligible credit card ABS must have been originated on or after January 1, 2020.

Student Loans
Student loan receivables include private student loans. All or substantially all of the assets underlying eligible student loan ABS must have had a first disbursement date on or after January 1, 2019. Private student loans that are for the purpose of refinancing existing private student loans or loans guaranteed by the federal government are eligible collateral if the refinanced loan disbursement date is on or after January 1, 2019.

SBA Loans
U.S. Small Business Administration (SBA) loans include loans, debentures or pools originated under the SBA's 7(a) and 504 programs, provided they are fully guaranteed as to principal and interest by the full faith and credit of the U.S. government and meet all other TALF eligibility requirements. There is no restriction on the dates of the underlying loans or debentures as long as the loans or debentures collateralize SBA Pool Certificates and Development Company Participation Certificates that were issued on or after January 1, 2019.

Equipment Receivables
Eligible equipment-related receivables will include loans and leases relating to business, industrial, and farm equipment. Such equipment includes, but is not limited to, agricultural, construction, or manufacturing equipment; trucks other than light trucks; smaller ticket items such as communications, office, and medical equipment, computers, copiers and security systems, and equipment types (other than assets such as aircraft, shipping containers, ships, cell phone towers, locomotives, and railcars) that have collateralized equipment ABS in the past. The assets underlying an eligible equipment ABS may include a mixture of loans and leases on a mixture of types of equipment. All or substantially all of the assets underlying eligible equipment loan ABS must have been originated on or after January 1, 2019.

Floorplan Receivables
Eligible receivables for auto floorplan ABS are revolving lines of credit used to finance dealer inventories of cars, light trucks and motorcycles. Other types of floorplan receivables may be included in an auto floorplan ABS, but only to the extent that such receivables do not exceed in the aggregate five percent of the total pool of receivables in that securitization. Eligible floorplan ABS issued by an existing revolving (or master) trust must be issued to refinance existing floorplan ABS maturing prior to the TALF Termination Date and must be issued in amounts no greater than the amount of the maturing ABS, as discussed further in FAQs under the "Master Trust Requirements" section. In the case of a master trust established on or after March 23, 2020, all or substantially all of the assets underlying eligible floorplan ABS must have been originated on or after January 1, 2020.

Eligible receivables for non-auto floorplan ABS are revolving lines of credit used to finance dealer inventories of items including, but not limited to, vehicles such as cars and trucks (subject to the limitations described below), recreational vehicles, motorcycles, trailers, boats and sports vehicles; agricultural, construction, or manufacturing equipment; manufactured housing; large appliances; and electronic equipment. The revolving lines of credit for non-auto floorplan ABS may be collateralized by a mixed type of inventory, including any type of inventory that has collateralized securitized floorplan loans in the past. Eligible floorplan loans for non-auto floorplan ABS may also include receivables arising under revolving or non-revolving asset-based lending facilities and loans secured by accounts receivable of the type that have been included in floorplan ABS issued in the past (ABL and AR receivables), subject to the limitations described in the next sentence. Receivables that finance cars and light trucks may be included in a non-auto floorplan ABS, but only to the extent that the car and light truck receivables, together with any ABL and AR receivables, do not exceed in the aggregate five percent of the total pool of receivables in that securitization.

Premium Finance Receivables
Eligible premium finance receivables will include loans used to finance premiums for property and casualty insurance but will not include deferred payment obligations acquired from insurance companies. The issuer of the ABS must acquire ownership of each premium finance loan in its entirety (as opposed to merely a participation or beneficial interest). The securitization must include a back-up servicer obligated to service the loans upon the resignation or termination of the initial servicer. Eligible premium finance ABS issued by an existing revolving (or master) trust must be issued to refinance existing premium finance ABS maturing prior to the TALF Termination Date and must be issued in amounts no greater than the amount of the maturing ABS, as discussed further in FAQs under the "Master Trust Requirements" section. In the case of a master trust established on or after March 23, 2020, all or substantially all of the assets underlying eligible credit card ABS must have been originated on or after January 1, 2020.

Leveraged Loans
Eligible leveraged loans underlying CLOs comprise broadly syndicated loans to large corporate borrowers and/or middle market loans. All or substantially all of the leveraged loans underlying CLOs must have been originated on or after January 1, 2019. Newly originated leveraged loans may include loans that have been refinanced on or after January 1, 2019. Loans with interest rates tied to LIBOR are generally expected to have adequate fallback language. Such LIBOR fallback language may be recommended by the Alternative Reference Rates Committee or substantially similar fallback language (as prevailing in the relevant market when the loan was originated).

What additional criteria are applicable to eligible CLOs?
For a CLO to be eligible, the underlying leveraged loans must be current on principal and interest, senior secured, and subject to the following additional portfolio limitations as of the subscription date:

- Maximum second lien loan concentration of 10 percent.
- Maximum debtor in possession (DIP) loan concentration of 7.5 percent.
- Maximum covenant lite loan concentration of 65 percent for broadly syndicated CLOs and 10 percent for middle market CLOs.
- Maximum single underlying obligor concentration of 4 percent.

Additionally, eligible CLOs must include at least one overcollateralization test redirecting cash flow from the equity and subordinated tranches of the securitization to the TALF-eligible senior tranche in the event of deterioration in the underlying loan portfolio.

What is the definition of a broadly syndicated CLO and a middle market CLO?
A broadly syndicated CLO is a CLO that does not include leveraged loans of obligors with potential indebtedness of less than $150,000,000 and permits no more than 10 percent of the portfolio to be comprised of leveraged loans to obligors with total potential indebtedness of $150,000,000 to $250,000,000.

A middle market CLO is a CLO that is composed of leveraged loans of obligors, all or substantially all of which have potential indebtedness of less than $250,000,000 but does not permit the portfolio to include leveraged loans of obligors with EBITDA (as calculated in accordance with the underlying instrument) of less than $10,000,000.

What is the definition of a covenant-lite loan?
A covenant-lite loan is a senior secured loan that: (a) does not contain any financial covenants or (b) does not contain any maintenance covenants (i.e. financial covenants applicable during each reporting period whether or not a borrower has taken any specified action); provided that a loan described in clause (a) or (b) above that contains either a cross-default or cross-acceleration provision to, or is pari passu with, another loan of the underlying obligor that requires the underlying obligor to comply with (i) a maintenance covenant or (ii) one or more financial covenants that apply only upon the occurrence of certain actions of the underlying obligor will be deemed not to be a covenant-lite loan. For the avoidance of doubt, a loan that is capable of being described in clause (a) or (b) above only (x) until the expiration of a certain period of time after the initial issuance thereof or (y)

for so long as there is no funded balance in respect thereof, in each case as set forth in the related underlying instruments, will be deemed not to be a covenant-lite loan.

Are SBA ABS whose underlying assets include SBA loans originated under the Paycheck Protection Program (PPP loans) eligible for the TALF?
Yes, SBA Pool Certificates and Development Company Participation Certificates that include PPP loans in the underlying collateral pool are eligible ABS.

Are both operating and financing leases acceptable underlying receivables?
Yes.

What does "all or substantially all" mean in the context of determining whether the underlying assets in a newly issued ABS (except for CLOs) are originated by U.S.-organized entities (including U.S. branches or agencies of foreign banks) and are made to U.S.-domiciled obligors?
For newly issued ABS (except for CLOs), 95 percent or more of the dollar amount of the underlying assets in the ABS must be exposures that are (1) originated by U.S.-organized entities (including U.S. branches or agencies of foreign banks), and (2) made to U.S.-domiciled obligors.

What does "all or substantially all" mean in the context of determining whether the underlying assets in a newly issued CLO are (1) arranged by a lead or a co-lead that is a U.S.-organized entity (including a U.S. branch or agency of a foreign bank), and (2) made to U.S.-domiciled obligors?
For newly issued CLOs, 95 percent or more of the dollar amount of the underlying loans in the CLOs must be exposures that are (1) arranged by a lead or a co-lead arranger that is a U.S.-organized entity (including a U.S. branch or agency of a foreign bank), and (2) made to U.S.-domiciled obligors.

What does "all or substantially all" mean in the context of determining whether the underlying assets in a CMBS are made to U.S.-domiciled obligors or with respect to real property located in the United States or one of its territories?
For CMBS, 95 percent or more of the dollar amount of the underlying assets in the CMBS must be exposures that are made to U.S.-domiciled obligors or with respect to real property located in the United States or one of its territories.

Do U.S.-domiciled obligors of eligible collateral include those who are domiciled in a U.S. political subdivision or territory?
Yes. U.S.-domiciled obligors are those domiciled in the United States, or a political subdivision or territory thereof.

What does "all or substantially all" mean in the context of determining whether the assets underlying an eligible ABS meet the date of origination criteria?
"All or substantially all" in this context means 95 percent or more of the principal balance of the underlying assets in the ABS.

How are subprime versus prime defined for auto loan, auto lease, and credit card ABS?
Auto loan and lease ABS are considered prime if the weighted average FICO score of the receivables is 680 or greater. Receivables without a FICO score are assigned the minimum FICO score of 300 for this calculation. Commercial receivables can be excluded from this calculation if historic cumulative net losses on these accounts have been the same or lower than those on receivables to individual obligors and this information is available in the prospectus. In addition, the percentage of commercial receivables in a trust must not exceed 10 percent. For auto deals where a weighted average FICO score is not disclosed, the subprime haircut schedule will apply.

Credit card ABS are considered prime if at least 70 percent or more of the receivables have a FICO score greater than 660. FICO scores must reflect performance data within the last 120 days. For credit card trusts where the percentage of receivables with a FICO score of greater than 660 is not disclosed, the subprime haircut schedule will apply.

How will a borrower know if an ABS is considered prime or subprime?
Issuers will publish in the prospectus whether the deal is prime or subprime according to TALF criteria. If this is not published in the prospectus, the deal will be considered subprime. Such representations in the prospectus are material to the New York Fed's determination of the haircuts for TALF loans and are considered a component of the representation as to the accuracy of the offering document.

What additional requirements apply to the underlying assets in the CMBS pledged as eligible collateral under TALF?
Asset Types: Each CMBS must evidence an interest in a trust fund consisting of fully-funded mortgage loans and not other CMBS, other securities or interest rate swap or cap instruments or other hedging instruments. A participation or other ownership interest in such a loan will be considered a mortgage loan and not a CMBS or other security if, following a loan default, the ownership interest is senior to or pari passu with all other interests in the same loan in right of payment of principal and interest.

Property Types: The security for each mortgage loan must include (or, if payments due under the loan have been defeased, the security for the loan or its predecessor must have previously included) a mortgage or similar instrument on a fee or leasehold interest in one or more income-generating commercial properties.

MASTER TRUST REQUIREMENTS

Why are there no loan origination date restrictions for credit card ABS, floorplan ABS, premium finance ABS, and auto ABS issued to refinance a maturing ABS issued out of an existing master trust?
Unlike other TALF-eligible ABS asset classes, which are backed by a fixed pool of underlying loans, credit card ABS, floorplan ABS, premium finance ABS, and some auto ABS are backed by dynamic pools of receivables that constantly change as consumers and businesses draw on and repay their credit lines or add new receivables. The pools include both seasoned and recently originated receivables. Due to the quick turnover and revolving nature of the underlying pools, refinancings of existing credit card ABS, floorplan ABS, premium finance ABS, and some auto ABS largely fund newly originated receivables, consistent with the policy goal of the TALF.

How is the date of origination of assets underlying an ABS determined in the case of revolving extension of credit arrangements?
For underlying assets that are in the form of loans drawn under an existing arrangement to extend credit (e.g., draws under a floorplan line of credit or new fundings under a loan secured by leases to a rental car company), the origination date of the underlying asset is the date on which the loan was drawn or funded and not the date on which the arrangement for the extension of credit (e.g., the floorplan line of credit or the revolving loan arrangement) was put in place.

Does the requirement that eligible floorplan, credit card, premium finance, and auto ABS (issued by a master trust) be issued to refinance existing ABS maturing prior to the TALF Termination Date apply at the individual master trust level or at the sponsor level?
The refinancing limitation applies at the sponsor level rather than the individual master trust level. For example, if a sponsor has four master trusts with a total of $20 billion in ABS maturing prior to the TALF Termination Date, the maximum amount of TALF-eligible ABS the issuer could issue prior to the TALF Termination Date is $20 billion in the aggregate; it may issue that $20 billion in ABS from one master trust or from multiple master trusts.

How are variable funding notes (VFNs) with commitment termination dates prior to the TALF Termination Date treated in the calculation of the amount of a sponsor's credit card, floorplan, premium finance, or auto ABS (issued by a master trust) maturing prior to the TALF Termination Date?
For TALF purposes, a VFN's maturity date is its commitment termination date and its amount is its maximum contractual principal balance, regardless of whether the VFN is renewed.

How are VFNs that (1) had commitment termination dates prior to the TALF Termination Date and (2) have controlled amortization periods prior to the TALF Termination Date treated in the calculation of the amount of a sponsor's credit card, floorplan, premium finance, or auto ABS (issued by a master trust) maturing prior to the TALF Termination Date?
For VFNs in controlled amortization periods, only the amount that amortizes prior to the TALF Termination Date counts toward the amount of an issuer's credit card, floorplan, premium finance, or auto ABS maturing prior to the TALF Termination Date.

For non-VFN ABS with controlled amortization periods, what amount counts toward a sponsor's limit?
For ABS with controlled amortization periods, only the amount that amortizes prior to the TALF Termination Date counts toward the limit.

Do ABS in controlled accumulation periods with bullet maturities after the TALF Termination Date count toward a sponsor's limit?
No. For TALF purposes, non-VFN ABS maturities are defined as dates on which principal payments are due.

Must eligible ABS that refinance maturing ABS issued by a master trust be issued concurrently with the maturing ABS?
No. Issuers may issue eligible ABS that refinance ABS that mature on or prior to the TALF Termination Date up to three months in advance; however, if the "maturing ABS" are VFNs, for purposes of calculating the amount of ABS that may be issued in advance of maturing ABS, only the funded amounts of VFNs may be considered. Issuers may also refinance ABS that matured or mature prior to the TALF Termination Date in bulk on any date after the maturity of such ABS (or up to three months in advance of the maturity subject to the qualifications described in preceding sentence) up to the TALF Termination Date.

COLLATERAL REVIEW

Further information will be forthcoming.

CREDIT RATINGS

Which NRSROs are eligible rating agencies under the TALF?
Currently, S&P Global Ratings, Moody's Investors Service Inc., and Fitch Ratings, Inc. are eligible NRSROs. The Federal Reserve may consider including other NRSROs under the TALF.

What happens if an ABS that was eligible for TALF financing is downgraded by an NRSRO?
Nothing happens to existing TALF loans secured by that ABS, and borrowers are not required to post any additional margin. However, the ABS may not be used as collateral for any new TALF loans until it regains its status as eligible collateral. If a CMBS that is proposed to collateralize a loan request is downgraded or placed on review or watch for downgrade after the TALF loan subscription date but before the settlement date, that CMBS will not be deemed ineligible based solely on the downgrade. However, the New York Fed will incorporate any declines in value associated with this downgrade into its valuation of the security, which may affect the amount of TALF financing ultimately extended against the CMBS.

Are ABS that are rated in the highest investment grade rating category, but are on review or watch for downgrade, TALF eligible?
No, eligible ABS cannot be on review or watch for downgrade, except as specifically described above.

Are triple-A credit ratings achieved using a third-party guarantee applicable for TALF eligibility?
No, an eligible ABS must obtain the necessary highest investment grade ratings without the benefit of a third-party guarantee.

For ABS backed by SBA loans, are explicit credit ratings required?
U.S. dollar-denominated cash ABS backed by loans, debentures, or pools under the SBA's 7(a) and 504 programs will be eligible as long as all of the underlying assets, or the ABS themselves, are fully guaranteed as to principal and interest by the full faith and credit of the U.S. government. These securities do not require an explicit credit rating.

ISSUER CERTIFICATIONS, AUDITOR ASSURANCES AND SBA DOCUMENTATION FOR NEWLY ISSUED ABS

Further information will be forthcoming regarding documentation requirements for new issue securities.

HAIRCUTS

What is the haircut schedule for each asset type?
Haircuts will vary across asset classes and securities' average lives, but not across borrowers. Collateral haircuts for ABS collateral are as follows:

SECTOR	SUBSECTOR	ABS AVERAGE LIFE (YEARS)						
		0-<1	1-<2	2-<3	3-<4	4-<5	5-<6	6-<7
Auto	Prime retail lease	10%	11%	12%	13%	14%		
Auto	Prime retail loan	6%	7%	8%	9%	10%		
Auto	Subprime retail loan	9%	10%	11%	12%	13%		
Auto	Motorcycle/ other recreational vehicles	7%	8%	9%	10%	11%		
Auto	Commercial and government fleets	9%	10%	11%	12%	13%		
Auto	Rental fleets	12%	13%	14%	15%	16%		
Credit Card	Prime	5%	5%	6%	7%	8%		
Credit Card	Subprime	6%	7%	8%	9%	10%		
Equipment	Loans and Leases	5%	6%	7%	8%	9%		
Floorplan	Auto	12%	13%	14%	15%	16%		

SECTOR	SUBSECTOR	ABS AVERAGE LIFE (YEARS)						
		0-<1	1-<2	2-<3	3-<4	4-<5	5-<6	6-<7
Floorplan	Non-Auto	11%	12%	13%	14%	15%		
Leveraged Loan	Static	20%	20%	20%	20%	20%	21%	22%
Premium Finance	Property and casualty	5%	6%	7%	8%	9%		
Small Business	SBA Loans	5%	5%	5%	5%	5%	6%	6%
Student Loan	Private	8%	9%	10%	11%	12%	13%	14%
Commercial Mortgages	Legacy, Conduit	15%	15%	15%	15%	15%	16%	17%

For auto, credit card, equipment, floorplan, and premium finance ABS, the weighted average life must be five years or less. For other new-issue eligible collateral, haircuts will increase by one percentage point for each additional year (or portion thereof) of average life beyond five years. For legacy CMBS with average lives beyond five years, base dollar haircuts will increase by one percentage point of par for each additional year (or portion thereof) of average life beyond five years. No securitization may have an average life beyond ten years.

Haircuts are subject to revision should market conditions change materially. Any such revisions will be made available here.

To what values will the haircuts be applied to determine the maximum loan amount for ABS?
For all ABS other than SBA ABS, the market value must be no greater than par. For such assets, the New York Fed will lend to each borrower an amount equal to the market value of the pledged collateral, minus a haircut. For SBA ABS with a market value above par, the New York Fed will lend an amount equal to the market value, subject to a cap of 105 percent of par value, minus a haircut, and the borrower will periodically prepay a portion of the loan. The prepayments will be calculated to adjust for the expected reversion of market value toward par value as such ABS mature.

How is the loan amount determined for CMBS?
The loan amount for each CMBS is equal to: (1) the base value minus (2) the base dollar haircut.

Base value is equal to the least of: (1) the dollar purchase price on the applicable trade date, (2) the market price as of the subscription date, and (3) a value based on the New York Fed's collateral review, provided, however, that the base value shall not be greater than par.

Base dollar haircut is equal to: (1) for CMBS with an average life of five years or less, 15 percent or (2) for CMBS with an average life greater than five years, 15 percent plus one percentage point for each additional year (or portion thereof) of average life beyond five years. No CMBS may have an average life beyond ten years.

For example, assuming a CMBS with a par value of 100, a seven-year weighted average life, and a base dollar haircut of 17 percent (15 percent + 2 percent) of par:

- If the base value is 75 percent of par, the loan amount is 58 (75-17) and the collateral haircut is 23 percent (17/75) of the applicable price.
- If the base value is 50 percent of par, the loan amount is 33 (50-17) and the collateral haircut is 34 percent (17/50) of the applicable price.

Under this formulation, the size of the haircut increases with the size of the price's discount from par, reflecting a recognition that large discounts from par generally indicate credit concerns.

A CMBS will not be eligible collateral if either its dollar purchase price on the applicable trade date or market price as of subscription date is less than its base dollar haircut.

The New York Fed will review existing market prices and may either modify the price or reject a TALF loan request that does not reflect then-prevailing market prices, and may reject a TALF loan request if the requested loan amount is greater than a stress valuation.

AVERAGE LIFE

How is average life defined?
For ABS with bullet maturities, average life is determined by the expected principal payment date. For amortizing ABS, average life is defined as the weighted average life to maturity based on the prepayment assumptions and market conventions listed below. These prepayment assumptions may be updated periodically for future TALF subscriptions and may be adjusted on a deal-specific basis. For auto rental fleets, the average life is the length of any revolving period plus 6 months.

The average life of a CMBS will be calculated on the basis of (1) the current composition of the mortgage pool, as reflected in recent servicer and trustee reports, (2) the entitlement of the CMBS to make distributions (including, if applicable, its position in a time-tranched sequence of classes), (3) the assumption that "anticipated repayment dates" are maturity dates, and (4) a 0% CPR and the absence of future defaults. For this purpose, loans in default or special servicing will be considered as if they had not defaulted, and previously-modified loans will be considered according to their terms as modified.

SECTOR	SUBSECTOR	PREPAYMENT ASSUMPTION
Auto	Prime retail lease	100% of prepayment curve
Auto	Prime retail loan	1.3% ABS
Auto	Subprime	1.5% ABS
Auto	Motorcycle/other recreational vehicles	1.5% ABS
Auto	Commercial and government fleets	100% of prepayment curve
Equipment	Loans and leases	8% CPR
Leveraged Loan	Broadly syndicated and middle market loans	10% CPR
Small Business	SBA loans 7(a)	14% CPR
Small Business	SBA loans 504	7% CPR
Student Loan	Student Loan Private	8% CPR

CPR (Conditional Prepayment Rate) represents the proportion of the principal of a pool of loans that is assumed to be paid off prematurely in each period. ABS (Absolute Prepayment Speed) represents the percentage of the original number of loans that prepay during a given period.

Where will a newly issued ABS's average life be published?
The issuer is expected to publish the security's average life in the prospectus or offering document. For amortizing assets the issuer should calculate the weighted average life to maturity based on the above prepayment assumptions and make a representation in the prospectus or offering document that the weighted average life to maturity for each triple A-rated tranche was calculated in accordance with the TALF prepayment assumptions. In addition, issuers are encouraged to base weighted average life to maturity calculations on a loan-by-loan analysis. However, if the analysis is based on representative pools, the pools must fairly and accurately model the actual characteristics of collateral underlying TALF-eligible securities.

Issuers should understand that such representations of weighted average life to maturity in the prospectus or offering document are material to the New York Fed's determination of the haircuts for TALF loans and the representation as to accuracy of the prospectus or offering document contained in the issuer certification would be breached if the weighted average life calculations incorrectly apply the prepayment assumptions listed above or are based on assumptions that are not representative of the actual collateral characteristics underlying TALF-eligible securities.

How will a newly issued ABS's average life be calculated if the ABS is pledged subsequent to its issuance date?
For an ABS that is transferred to the TALF SPV's custodian as TALF collateral on a date subsequent to the date the security was issued, the following formulas will be used:

Adjusted Average Life for bullet maturities = Original Average Life – [1 X ((Upcoming TALF Loan Closing Date – Original Closing Date of Security)/360)]

Adjusted Average Life for amortizing assets = Original Average Life – [1/2 X ((Upcoming TALF Loan Closing Date – Original Closing Date of Security)/360)]

Except for SBA Pool Certificates, the Original Average Life is the average life reported in the final prospectus or offering document. The Original Average Life for SBA Pool Certificates is the average life reported in the undertaking.

INTEREST RATES

What interest rates are offered under the TALF?
The TALF loan rate is determined by the type of collateral securing the loan.

For CLOs, the interest rate will be 150 basis points over the 30-day average Secured Overnight Financing rate (30-day average SOFR). Interest on TALF loans financing ABS (other than CLOs) shall be payable monthly; interest on TALF loans financing CLOs shall be payable quarterly rather than monthly.

For SBA Pool Certificates (7(a) loans), the interest rate will be the top of the federal funds target range plus 75 basis points.

For Development Company Participation Certificates (504 loans), the interest rate will be 75 basis points over the 3-year fed funds overnight index swap (OIS) rate.

For all other eligible ABS, the interest rate will be 125 basis points over the 2-year OIS rate for securities with a weighted average life less than two years, or 125 basis points over the 3-year OIS rate for securities with a weighted average life of two years or greater.

Interest rates will be set one day prior to the subscription date.

<table>
<tr><th>SECTOR</th><th>SUBSECTOR</th><th colspan="2">FIXED 3 YEAR LOAN
(AVERAGE LIFE, IN YEARS)</th><th>FLOATING</th></tr>
<tr><td></td><td></td><td>1-<2</td><td>>=2</td><td></td></tr>
<tr><td>Auto</td><td></td><td>2-year OIS rate + 125 bps</td><td>3-year OIS rate + 125 bps</td><td>N/A</td></tr>
<tr><td>Commercial Mortgage</td><td></td><td>2-year OIS rate + 125 bps</td><td>3-year OIS rate + 125 bps</td><td>N/A</td></tr>
<tr><td>Credit Card</td><td></td><td>2-year OIS rate + 125 bps</td><td>3-year OIS rate + 125 bps</td><td>N/A</td></tr>
<tr><td>Equipment</td><td></td><td>2-year OIS rate + 125 bps</td><td>3-year OIS rate + 125 bps</td><td>N/A</td></tr>
<tr><td>Floorplan</td><td></td><td>2-year OIS rate + 125 bps</td><td>3-year OIS rate + 125 bps</td><td>N/A</td></tr>
<tr><td>Leveraged Loan</td><td></td><td>N/A</td><td>N/A</td><td>30-day average SOFR + 150 bps</td></tr>
<tr><td>Premium Finance</td><td></td><td>2-year OIS rate + 125 bps</td><td>3-year OIS rate + 125 bps</td><td>N/A</td></tr>
<tr><td>Small Business</td><td>SBA loans 7(a)</td><td>N/A</td><td>N/A</td><td>Top of Fed Funds Range + 75 bps</td></tr>
<tr><td>Small Business</td><td>SBA loans 504</td><td colspan="2">3-year OIS rate + 75 bps</td><td>N/A</td></tr>
<tr><td>Student Loan</td><td>Private</td><td>2-year OIS rate + 125 bps</td><td>3-year OIS rate + 125 bps</td><td>N/A</td></tr>
</table>

Interest rates are subject to revision should market conditions change materially. Any such revisions will be made available here.

Where can the 30-day average SOFR be obtained?
The 30-day average SOFR is published every business day by the New York Fed. It can be found here.

Will the interest rate spread and haircuts change from month to month?
The Federal Reserve will periodically review and, if appropriate, adjust the TALF interest rate spread and haircuts for new loans,

consistent with the policy objectives of the TALF.

Why are the spreads on the loans backed by collateral benefitting from government guarantees lower?
The lower credit risk of these ABS merits a lower risk premium on the TALF loans.

What fees are associated with the TALF?
On each loan's settlement date, the borrower must pay to the TALF SPV's settlement account an administrative fee equal to 10 basis points of the loan amount which will cover the fees associated with the facility.

OPERATIONAL MECHANICS

How does an entity participate in the TALF program?
An eligible borrower must be a customer of a TALF Agent and will be required to have executed a customer agreement authorizing the TALF Agent, among other things, to execute the MLSA as agent for the borrower and to perform all actions required on their behalf. The MLSA will provide further details on the requirements that apply to the entities seeking to borrow under the TALF.

Will there be a separate lending facility for each ABS asset class?
No. Borrowers with eligible ABS of all asset types will receive loans from the same TALF facility.

Collateral Monitors and Other Agents
Further information on collateral monitors and other agents (besides TALF Agents) will be forthcoming. Information on TALF Agents is provided below in the section "TALF AGENTS."

Issuer Considerations
Further information will be forthcoming.

LOAN SUBSCRIPTION AND CLOSING

Further information will be forthcoming.

TALF AGENTS

What is a TALF Agent?
A TALF Agent is a financial institution that is a party to the MLSA from time to time, individually and as agent for its borrower. The TALF Agents' role in supporting the TALF is to serve as agents on behalf of their customers, the TALF borrowers.

To expedite the implementation of the TALF, TALF Agents will initially consist of the Primary Dealers. The Federal Reserve will consider increasing the number of institutions that may be TALF Agents, subject to adequate due diligence and compliance work.

What is the TALF Agent's role?
The MLSA specifies a TALF Agent's roles and responsibilities, including the agency functions to be performed on behalf of its customers. Among other duties, the TALF Agent shall:

- Collect from its customers the amount of each borrower's loan requests, the CUSIPs of the ABS the borrower expects to deliver and pledge against the loan and the prospectuses and/or offering documents of the newly issued ABS expected to be pledged;
- Submit aggregate loan request amounts on behalf of its customers in the form and manner specified by the New York Fed;
- On the subscription date, submit a file to the custodian containing a detailed breakdown of the loan requests, which will, among other things, include the identity of the individual borrowers, the amount of each borrower's loan request and the material information collected above;
- Work with its customers to resolve any discrepancies identified by the custodian;
- Collect from its customers and deliver to the custodian the administrative fee and any applicable margin required to be delivered to the custodian on the loan settlement date;
- Periodically receive from the custodian the portion of the distributions on the collateral that are to be paid to its customers and disburse such payments in accordance with the instruction of its customers and provide any applicable tax report to its customers; and
- Receive, or forward, notices on behalf of its customers.

Further information will be provided on matters relating to TALF Agents.