

# Term Asset-Backed Loan Facility (TALF)

TALF 2008 to TALF 2020 Comparison

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## SFA Comparison of Term Asset-Backed Loan Facility

	TALF 2008	TALF 2020 <sup>1</sup>	Comparison with SFA Proposal
<b>TALF Program Criteria</b>			
<b>Types of Assets Eligible</b>	<p><u>Initial eligibility:</u></p> <ul style="list-style-type: none"> <li>- Auto Loans &amp; Leases</li> <li>- Student Loans</li> <li>- CreditCard</li> <li>- SBA Loans</li> </ul> <p><u>First expansion:</u></p> <ul style="list-style-type: none"> <li>- Equipment Loans</li> <li>- Floorplan Loans</li> <li>- Insurance Premium Finance</li> <li>- Residential Mortgage Servicing Advances</li> </ul> <p><u>Final expansion:</u></p> <ul style="list-style-type: none"> <li>- CMBS</li> </ul>	<p><u>Initial eligibility:</u></p> <ul style="list-style-type: none"> <li>- Auto Loans &amp; Leases</li> <li>- Student Loans</li> <li>- Credit Card (consumer &amp; corporate)</li> <li>- Equipment Loans</li> <li>- Floorplan Loans</li> <li>- Insurance Premium Finance</li> <li>- SBA Loans</li> <li>- Servicing Advance Receivables<sup>2</sup></li> </ul>	<p>All asset classes listed in TALF 2020, plus:</p> <ul style="list-style-type: none"> <li>- <b>CMBS</b></li> <li>- <b>Credit Risk Transfer</b></li> <li>- <b>Private Label RMBS</b></li> <li>- <b>Unsecured Personal Loans</b></li> <li>- <b>Transportation (aircraft, rail, shipping)</b></li> <li>- <b>Handset Device</b></li> <li>- <b>Whole Business</b></li> <li>- <b>Renewable Energy</b></li> <li>- <b>Re-performing &amp; Seasoned Mortgages</b></li> <li>- <b>Triple Net Leases</b></li> <li>- <b>Timeshares</b></li> </ul>
<b>Aggregate Size of TALF Program</b>	Up to \$200B	Initially up to \$100B	No specific ask
<b>Entity Participation Criteria</b>	U.S. person or company	U.S. person or company	No specific ask

<sup>1</sup> Information from Term Sheet released by the Federal Reserve on March 23, 2020

<sup>2</sup> Definition of eligible “servicing advance receivables” are expected to be consistent with definitions under TALF 2008

## SFA Comparison of Term Asset-Backed Loan Facility Programs (continued)

	TALF 2008	TALF 2020 <sup>3</sup>	Comparison with SFA Proposal
<b>Asset and Loan Criteria</b>			
<b>Ratings Agency Criteria</b>	<ul style="list-style-type: none"> <li>– AAA tranche</li> <li>– Rated by two credit rating agencies<sup>4</sup></li> </ul>	Highest short-term or long-term rating level by at least two eligible NRSROs	<ul style="list-style-type: none"> <li>– Any eligible NRSRO</li> <li>– <u>Highest rating of structure and investment grade</u></li> <li>– <u>1 rating only</u></li> </ul>
<b>Maturity</b>	<ul style="list-style-type: none"> <li>– 3 years</li> <li>– 5 years for SBA, SLABS and CMBS</li> </ul>	3 years max	<u>Non-specific ask for flexibility</u>
<b>Haircuts</b>	<a href="#">TALF 2008 Haircut Schedule</a>	To be announced	Asked Fed to review given current asset quality
<b>Issuance Date Limitations</b>	ABS issued on or after Jan. 1, 2009 [ <i>~ 1 month after program announcement</i> ]	On or after March 23, 2020	<u>Legacy</u> and New
<b>Loan Origination Date Limits</b>	Originated no earlier than 2007 (varied by asset class) [ <i>~2 years before program announcement; CMBS exceptions</i> ]	Substantially all must be newly originated	<u>Legacy</u> and New
<b>Public/Private Offering Criteria</b>	Open to publicly registered offerings and 144A private placement	[Not specified yet]	No change requested

<sup>3</sup> Information from Term Sheet released by the Federal Reserve on March 23, 2020

<sup>4</sup> AAA tranche as rated by two credit rating agencies. Eligible credit rating agencies for ABS included Moody's, Fitch, and Standard and Poor's. For new-issue and legacy CMBS, eligible credit rating agencies also included Realpoint and DBRS. Beginning with the February 2010 subscription, DBRS was an eligible credit rating agency for non-mortgage ABS. SBA Pool Certificates or Development Company Participation Certificates had an issuance cutoff date of January 1, 2008 and were exempt from the ratings requirements.

## SFA Comparison of Term Asset-Backed Loan Facility Programs (continued)

	TALF 2008	TALF 2020 <sup>5</sup>	Comparison with SFA Proposal
Bond Trading Criteria	Bonds were required to be eligible for trade on DTC	[Not specified yet]	No change requested
Auditor Attestation	Required	[Not specified yet]	Request to remove or reduce time-consuming process
Pricing	<a href="#">TALF 2008 Interest Rates</a>	<ul style="list-style-type: none"> <li>– 2-year LIBOR swap rate + 100bps if &lt;2yr wtd avg life</li> <li>– 3-year LIBOR swap rate + 100bps if 2yr + wtd avg life</li> </ul>	No change requested
Administrative Fee	5bps of the loan amount	10bps of the loan amount	No change requested
Termination	<p>June 30, 2010 for newly issued CMBS</p> <p>March 31, 2010 for all other TALF-eligible ABS [~16 months]</p>	Sept 30, 2020, unless extended [~6 months]	No change requested

<sup>5</sup> Information from Term Sheet released by the Federal Reserve on March 23, 2020