

**Secondary Market Corporate Credit Facility**  
**Seller Certification Packet**

**Overview:** A seller wishing to participate in the Secondary Market Corporate Credit Facility (“SMCCF”) must make the following certifications in order to qualify as an Eligible Seller:

1. *Solvency.* The seller must make a certification regarding solvency (pages 2–3).
2. *U.S. Business.* The seller must certify that it is a business that is created or organized in the United States or under the laws of the United States and that has significant operations in and a majority of its employees based in the United States, consistent with section 4003(c)(3)(C) of the Coronavirus Aid, Relief, and Economic Security Act (pages 4–5).
3. *Conflict of Interest.* The seller must certify that it satisfies the conflict of interest requirements in section 4019 of the Coronavirus Aid, Relief, and Economic Security Act (pages 6–8).

A seller also must agree to a verification mechanism for the U.S. business and conflict of interest requirements (page 9).

A seller must review and complete the Seller Certification Packet and provide a signed version of the materials via PDF to [CCFForms@ny.frb.org](mailto:CCFForms@ny.frb.org). The Federal Reserve Bank of New York will contact the seller via email to confirm receipt prior to making any purchases under the program.

## Certification Regarding Solvency

The seller named on the signature page hereof (the “**Seller**”) wishes to participate in the Secondary Market Corporate Credit Facility (the “**SMCCF**”) authorized by the Board of Governors of the Federal Reserve System (the “**Board**”) and approved by the Secretary of the Treasury (“**Secretary**”) on March 22, 2020, as such authorization may be amended from time to time, under section 13(3) of the Federal Reserve Act, 12 U.S.C. § 343.

Under the SMCCF, which is being provided by the Federal Reserve Bank of New York (the “**FRBNY**”) through the Corporate Credit Facilities LLC (“**CCF**”), to which the Department of the Treasury is providing equity, qualifying sellers may sell individual corporate bonds or shares of exchange-traded funds (“**ETFs**”) to the CCF.

Section 13(3) and the Board’s Regulation A place certain conditions on participants in lending facilities. In particular:

1. Not Insolvent. The Seller must certify that it is not insolvent, as the term “insolvent” is used in section 201.4(d)(5)(iii) of the Board’s Regulation A (i.e., the Seller is not in bankruptcy, resolution under title II of the Dodd-Frank Wall Street Reform and Consumer Protection Act, or any other Federal or State insolvency proceeding, and the Seller is generally paying its undisputed debts as they become due during the 90 days preceding the date of a transaction with the SMCCF).

The Seller must provide a certification regarding solvency. The certification must be made in writing by its chief executive officer or other authorized officer.

### **Form of Solvency Certification:**

#### Certification of CEO or Other Authorized Officer

I, the undersigned chief executive officer or other authorized officer of the eligible Seller named below, hereby attest to the Board, Secretary, FRBNY, and CCF that, as of the date hereof, and shall be deemed to attest to the Board, Secretary, FRBNY, and CCF that, as of the date of any sale to the CCF under the SMCCF authorized by the Board and the Secretary on March 22, 2020, as such authorization may be amended from time to time, that Seller is not insolvent.

For the purposes of this certification, a person or entity is “insolvent” if it is in bankruptcy, resolution under title II of the Dodd-Frank Wall Street Reform and Consumer Protection Act, or any other Federal or State insolvency proceeding, or if it fails to generally pay its undisputed debts as they become due during the 90 days preceding any date on which the Seller sells individual corporate bonds or ETFs to the CCF.

I further attest that, if any of the information in this certification changes, Seller will immediately notify the FRBNY.

I acknowledge that, if this certification includes a knowing material misrepresentation, the Board or the FRBNY will promptly refer the matter to appropriate law enforcement authorities for action under applicable criminal and civil law.

I further acknowledge that the Board or the FRBNY may make public disclosures regarding transactions under the SMCCF, including without limitation disclosures that are required under applicable law. These disclosures may include the identity of the Seller; the date and amount of a purchase from the Seller; material terms of the purchase; and other information. On behalf of the Seller, I consent to such disclosure.

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Name of Seller

Chief Executive Officer or Authorized Officer

By:  
Name:  
Title:  
E-mail:  
Phone:  
Date:

## Certification Regarding U.S. Business Requirement

The seller named on the signature page hereof (the “**Seller**”) wishes to participate in the Secondary Market Corporate Credit Facility (the “**SMCCF**”) authorized by the Board of Governors of the Federal Reserve System (the “**Board**”) and approved by the Secretary of the Treasury (“**Secretary**”) on March 22, 2020, as such authorization may be amended from time to time, under section 13(3) of the Federal Reserve Act, 12 U.S.C. § 343.

Under the SMCCF, which is being provided by the Federal Reserve Bank of New York (the “**FRBNY**”) through the Corporate Credit Facilities LLC (“**CCF**”), to which the Department of the Treasury is providing equity, qualifying sellers may sell individual corporate bonds or shares of exchange-traded funds (“**ETFs**”) to the CCF.

The Seller must certify that it is a business that is created or organized in the United States or under the laws of the United States and that has significant operations in and a majority of its employees based in the United States (“**U.S. business certification**”), consistent with section 4003(c)(3)(C) of the Coronavirus Aid, Relief, and Economic Security Act. The U.S. business certification must be made in writing by the Seller’s chief executive officer and chief financial officer, or individuals performing similar functions.

The Seller must make the U.S. business certification no later than the date on which the CCF first purchases a bond or ETF from the Seller. If the Seller no longer is a business that is created or organized in the United States or under the laws of the United States and that has significant operations in and a majority of its employees based in the United States, the Seller must notify FRBNY immediately and must agree that the Seller will not enter into any transaction with the CCF upon ceasing to meet the U.S business requirement. These provisions cease on September 30, 2020, or on such later date to which the SMCCF is extended by the Board and the Secretary.

### **Form of U.S. Business Certification:**

#### Certification of CEO and CFO

I, the undersigned chief executive officer or chief financial officer of the eligible Seller named below, or individuals performing similar functions, hereby attest to the Board, Secretary, FRBNY, and CCF that, as of the date hereof, and shall be deemed to attest to the Board, Secretary, FRBNY, and CCF that, as of the date of any sale to the CCF, made under the SMCCF authorized by the Board and the Secretary on March 22, 2020, as such authorization may be amended from time to time, that Seller is a business that is created or organized in the United States or under the laws of the United States and that has significant operations in and a majority of its employees based in the United States.

I further attest that, prior to September 30, 2020, or such later date to which the SMCCF is extended by the Board and the Secretary, the eligible Seller named below will immediately notify FRBNY if the Seller no longer is a business that is created or organized in the United States or under the laws of the United States and that has significant operations in and a majority

of its employees based in the United States. If the Seller no longer meets these criteria, the Seller will not enter into any transaction with the SMCCF.

I further attest that, if any other information in this certification changes, Seller will immediately notify the FRBNY.

I acknowledge that, if this certification includes a knowing material misrepresentation, the Board or the FRBNY will promptly refer the matter to appropriate law enforcement authorities for action under applicable criminal and civil law.

I further acknowledge that the Board or the FRBNY may make public disclosures regarding transactions under the SMCCF, including without limitation disclosures that are required under applicable law. These disclosures may include the identity of the Seller; the date and amount of a purchase from the Seller; material terms of the purchase; and other information. On behalf of the Seller, I consent to such disclosure.

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Name of Seller

Chief Executive Officer

By:  
Name:  
Title:  
E-mail:  
Phone:  
Date:

Chief Financial Officer

By:  
Name:  
Title:  
E-mail:  
Phone:  
Date:

## **Conflict of Interest Certification**

Section 4019 of the Coronavirus Aid, Relief, and Economic Security Act (“CARES Act”) prohibits entities in which certain government officials and some of their immediate family members have a “controlling interest” from participating in certain government programs.

Section 4019(c) of the CARES Act requires the principal executive officer and principal financial officer (or individuals performing similar functions) of an entity that is seeking to enter into a transaction with the Secondary Market Corporate Credit Facility (“SMCCF”) to certify to the Secretary of the Treasury (“Secretary”) and the Board of Governors of the Federal Reserve System (“Board”) that the entity is not a Covered Entity.

### **Identifying a Covered Entity**

Covered Entity: “Covered Entity” means an entity in which a Covered Individual directly or indirectly holds a Controlling Interest.

Covered Individual: “Covered Individual” means the President, the Vice President, the head of an Executive department as defined in 5 U.S.C. § 101, or a member of Congress (each a “Government Official” and collectively “Government Officials”), and the spouse, child, son-in-law, or daughter-in-law, as determined under applicable common law, of the Government Official (each a “Family Member” and any group of which are “Family Members”). The term “child” includes a step-child, but the term “spouse” does not include an ex-spouse. To determine a Covered Individual’s equity interest in an entity, the Government Official’s and Family Members’ equity interests shall be aggregated.

Controlling Interest: Holds a “Controlling Interest” means owning, controlling, or holding not less than 20 percent, by vote or value, of the outstanding amount of any class of equity interest in an entity. An “equity interest” means (a) shares, (b) capital or profit interest in a limited liability company or partnership, or (c) a warrant or right (other than a right to convert) to purchase, sell, or subscribe to any such equity interest.

The determination of whether a Covered Individual directly or indirectly holds a Controlling Interest in an entity must take into account a Covered Individual’s direct interest in the entity as well as a Covered Individual’s interest in any entity that directly or indirectly has an interest in such entity (e.g., the entity’s parents).

*Direct Interests*: If a Covered Individual directly owns, controls, or holds 20 percent or more, by vote or value, of the outstanding amount of any class of equity interest in an entity that is seeking to enter into a transaction with the SMCCF, that entity is a Covered Entity.

*Indirect Interests*: For the purpose of determining the amount of an equity interest indirectly owned or held by a Covered Individual in an entity:

- A Covered Individual’s indirect equity interest by value (i.e., economic interest that may or may not include voting rights) shall be calculated on a proportional basis, taking into account any partial ownership of the relevant entity’s parents.
- For example, if a Government Official owns 25 percent of the economic interest in Company A, and Company A owns 40 percent of the outstanding amount of a class of voting securities of Company B, the Government Official is deemed to own 10 percent of the class of voting securities of Company B.

For the purpose of determining the amount of an equity interest indirectly controlled by a Covered Individual in an entity:

- A Covered Individual shall be deemed to indirectly control an equity interest in an entity if he or she controls, directly or indirectly, the entity that owns or holds the equity interest.
- An individual or entity shall be deemed to control another entity only when the individual or entity owns or holds a majority of the voting interest in such entity, or is, or holds a majority of the voting interest in, the general partner of such entity.
- For example, if a Government Official owns a 51 percent voting interest in Company A, which owns a 51 percent voting interest in Company B, which owns 20 percent of the equity interests of Company C, the Government Official shall be deemed to control 20 percent of the equity interests of Company C.

*Shares:* A share is considered an ownership interest without regard to whether the share is transferrable or classified as stock or anything similar and without regard to whether the share is a voting security. For example, a nonvoting preferred share would be considered a share.

*Warrants or rights:* If the Covered Individual has warrants or other rights (other than a right to convert), calculate the Covered Individual's interest in the underlying equity interest on a fully diluted basis assuming that both the individual and other holders of such warrants or rights have exercised such interests. Warrants, options, and similar rights must be counted even if they are unexercised or "out of the money." For example, when calculating an individual's percentage in an equity interest, use the following formula:

$$\frac{(\text{Individual's shares in a class}) + (\text{Individual's options and warrants in that class})}{(\text{Total outstanding shares in that class, assuming all warrants or rights are exercised})}$$

### **Basis for Certification: Reasonable Diligence**

In light of limited public information on ownership interests of Government Officials, and that the identities of Government Officials' Family Members are not disclosed or reported in any routine or comprehensive manner, it is necessary to prescribe the level of diligence required to make a conflict of interest certification in good faith. To determine whether any Covered Individual holds a Controlling Interest in an entity, it is necessary and sufficient for the entity to undertake the following reasonable diligence:

1. Entities must take into account the ownership, control, and holding of any equity interest of any size if the entity has actual knowledge that a Covered Individual, directly or indirectly, owns, controls, or holds the interest.
2. Entities must determine the beneficial owner of any 5 percent or greater equity interest of the entity and determine whether such beneficial owner is a Covered Individual by (i) checking the name of each such beneficial owner against a list of all Government Officials and, (ii) if the entity has not otherwise been able to confirm whether such beneficial owner is a Family Member, by asking each such beneficial owner whether the owner is a Family Member. If the aggregate amount of equity interests owned by the

identified beneficial owners, together with the aggregate percentage ownership determined from actual knowledge in (1) above, is less than 20 percent, an entity need not determine if the identified beneficial owners are Family Members.

To determine the identity of beneficial owners of publicly traded securities, issuers may rely on information disclosed by such persons in reporting under Section 13(d) and 13(g) of the Securities Exchange Act of 1934 (15 U.S.C. §§ 78m(d), 78m(g)).

### Signatures

The certification must be signed by the principal executive officer and the principal financial officer of the entity, or individuals performing similar functions (“Authorized Officers”). By signing this certification, the Authorized Officers acknowledge that, in the case of any knowing and willful misrepresentation or omission of a material fact, the Secretary, Board, or the Federal Reserve Bank that is providing the SMCCF may refer the matter to the relevant law enforcement authorities for investigation and possible action in accordance with applicable criminal and civil law. See, e.g., 18 U.S.C. § 1001; 31 U.S.C. § 3729.

### Good Faith Certification

Pursuant to section 4019(c) of the CARES Act, to the best of my knowledge and based on reasonable diligence, I certify to the Secretary of the Treasury and the Board of Governors of the Federal Reserve System that [Entity Name] is not a covered entity, as that term is defined in section 4019(a)(2) of the CARES Act.

I further certify that, prior to September 30, 2020, or such later date to which the SMCCF is extended by the Board and the Secretary, [Entity Name] will immediately notify the Secretary and the Board if [Entity Name] becomes a covered entity, as that term is defined in section 4019(a)(2) of the CARES Act. If [Entity Name] becomes a covered entity, [Entity Name] will not enter into any transaction with the SMCCF.

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Name of Seller

Chief Executive Officer

By:  
Name:  
Title:  
E-mail:  
Phone:  
Date:

Chief Financial Officer

By:  
Name:  
Title:  
E-mail:  
Phone:  
Date:

**Verification**

The seller named on the signature page hereof (the “**Seller**”) wishes to participate in the Secondary Market Corporate Credit Facility (the “**SMCCF**”) authorized by the Board of Governors of the Federal Reserve System and approved by the Secretary of the Treasury on March 22, 2020, as such authorization may be amended from time to time, under section 13(3) of the Federal Reserve Act, 12 U.S.C. § 343.

Under the SMCCF, which is being provided by the Federal Reserve Bank of New York (the “**FRBNY**”) through the Corporate Credit Facilities LLC (“**CCF**”), to which the Department of the Treasury is providing equity, qualifying sellers may sell individual corporate bonds or shares of exchange-traded funds to the CCF.

The Seller has made certain certifications (the “**CARES Act Certifications**”) regarding the U.S. business requirement in section 4003(c)(3)(C) and the conflict of interest requirement in section 4019 of the Coronavirus Aid, Relief, and Economic Security Act.

With respect to the CARES Act Certifications, the Seller agrees to maintain records containing the bases for the certifications (the “**File**”) and agrees to make available to the FRBNY, as promptly as practicable upon request of the FRBNY, either an attestation by an external auditor that the auditor has examined the File and has found it sufficient to support the certifications or a copy of the File for the FRBNY’s own inspection or review. If the Seller submits an attestation by an external auditor, the FRBNY reserves the right to request a copy of the File for its own inspection or review. The Seller agrees to retain the File for 20 years following termination of the SMCCF.

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Name of Seller

Chief Executive Officer

By:  
Name:  
Title:  
E-mail:  
Phone:  
Date:

Chief Financial Officer

By:  
Name:  
Title:  
E-mail:  
Phone:  
Date