

MONEY MARKET MUTUAL FUND LIQUIDITY FACILITY CREDIT SUPPORT AGREEMENT

THIS MONEY MARKET MUTUAL FUND LIQUIDITY FACILITY CREDIT SUPPORT AGREEMENT (this “Agreement”) is made and entered into as of May 20, 2020, by and between THE UNITED STATES DEPARTMENT OF THE TREASURY (“Treasury”) and THE FEDERAL RESERVE BANK OF BOSTON (the “Reserve Bank”).

WHEREAS, recent events have suddenly and significantly impacted financial markets; the spread of coronavirus has disrupted economic activity throughout the United States and in many countries; the financial markets have experienced significant volatility; and in particular, disruptions in financial markets have put liquidity pressure on money market funds and threaten the broader financial system;

WHEREAS, in light of the recent events, the Reserve Bank has been authorized by the Board of Governors of the Federal Reserve System (“Board”) to administer the Money Market Mutual Fund Liquidity Facility (the “MMLF”), which facility was established pursuant to authorization of the Board, with the approval of the Secretary of the Treasury, on March 18, 2020, as such authorization may be amended from time to time, under Sections 13(3) of the Federal Reserve Act of 1913, as amended;

WHEREAS, changes to the term sheet governing the MMLF, including an extension of the termination date, would require approval of the Secretary of the Treasury and the Board;

WHEREAS, on March 18, 2020, the Secretary of the Treasury issued a letter to the Chair of the Board, which letter provided that Treasury, using the Exchange Stabilization Fund, would provide credit protection (the “Credit Support Facility”) with respect to the MMLF in an amount of \$10,000,000,000 to the Reserve Bank (as amended, supplemented or otherwise modified from time to time by mutual agreement between Treasury and the Board, the “Letter Undertaking”);

WHEREAS, Treasury and the Reserve Bank have determined that it is appropriate to effectuate the Letter Undertaking by entering into this Agreement and to perform their respective obligations under this Agreement;

NOW, THEREFORE, in consideration of the mutual promises contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

ARTICLE I **ESTABLISHMENT OF THE MMLF FUND**

1.1 Commitment of the Treasury. Treasury shall provide an amount equal to \$10,000,000,000 as credit protection for the MMLF (such amount, the “MMLF Fund”, and the MMLF Fund, together with any investment earnings on the Transferred MMLF Fund (as defined below), the “Credit Support Amount”) in accordance with the terms and

conditions of this Agreement. Treasury agrees to deposit or otherwise transfer the MMLF Fund in cash from the fund established under section 5302(a)(1) of title 31, United States Code (the “Exchange Stabilization Fund”) as directed in writing by the Reserve Bank in accordance with the terms and conditions of this Agreement.

1.2 Transfer of the MMLF Fund. No later than one business day following the date of execution of this Agreement, Treasury shall deposit or otherwise transfer a portion of the MMLF Fund (any transferred portion of the MMLF Fund, the “Transferred MMLF Fund”) in cash in an initial amount equal to \$1,500,000,000 (such amount, the “Transferred MMLF Fund Amount”) to the MMLF FRBNY Accounts (as defined below) as directed by the Reserve Bank. Treasury shall cause additional deposits and transfers of portions of the MMLF Fund to the Transferred MMLF Fund in accordance with Section 2.6(a)(1) and Section 2.6(a)(2) below.

1.3 Maintenance of the MMLF Fund. Subject to the provisions of Section 1.4 below with respect to the Transferred MMLF Fund, unless otherwise agreed in writing between Treasury and the Reserve Bank, Treasury shall maintain the untransferred portion of the MMLF Fund in the Exchange Stabilization Fund to ensure that the MMLF Fund shall be available to satisfy Treasury’s obligations under, and in accordance with the terms of, this Agreement.

1.4 Maintenance of the Transferred MMLF Fund and MMLF Fund Assets; Security Interest.

(a) Treasury shall maintain the Transferred MMLF Fund on terms and conditions mutually agreed between Treasury and the Reserve Bank. The Reserve Bank shall invest the Transferred MMLF Fund, or shall cause the Transferred MMLF Fund to be invested, as agreed by the Reserve Bank and Treasury.

(b) The Reserve Bank shall open one or more deposit accounts and/or securities accounts (collectively, the “MMLF FRBNY Accounts”) at the Federal Reserve Bank of New York (“FRBNY”) in the name of “The Federal Reserve Bank of Boston, as secured party under the Money Market Mutual Fund Liquidity Facility Credit Support Agreement with Treasury” for the purpose of holding the Transferred MMLF Fund, including any uninvested portion of the Transferred MMLF Fund, such as cash, and any investment and other property held at the FRBNY that may be from time to time credited thereto, and all products and proceeds thereof (all such assets, together with the MMLF FRBNY Accounts, the “MMLF FRBNY Assets”).

(c) Treasury and the Reserve Bank may agree from time to time that MMLF FRBNY Assets may be invested in assets that are not credited to an MMLF FRBNY Account (all such other assets, including any cash, investment property, and all assets and other property credited thereto, and products and proceeds thereof, the “Additional MMLF Assets”, and together with the MMLF FRBNY Assets and all Additional MMLF Accounts (as defined below), the “MMLF Fund Assets”). Additional MMLF Assets, which may include nonmarketable securities issued by Treasury, may be held in deposit accounts and/or securities accounts, or otherwise be maintained, as mutually agreed between Treasury and the Reserve Bank (such additional accounts and arrangements, “Additional MMLF

Accounts”, and together with the MMLF FRBNY Accounts, the “MMLF Accounts”). In the case of any MMLF Fund Assets that are nonmarketable securities issued by Treasury, subject to the terms of any agreement governing the issuance, maintenance and redemption of such securities, Treasury shall cause any such securities to be redeemed upon receiving a request to redeem from the Reserve Bank. Unless otherwise agreed by the Reserve Bank all Additional MMLF Assets shall be held, and each Additional MMLF Account shall be maintained, in the name of “The Federal Reserve Bank of Boston, as secured party under the Money Market Mutual Fund Liquidity Facility Credit Support Agreement with Treasury”.

(d) To secure Treasury’s credit support obligations under this Agreement, whether now existing or arising in the future, including the payment of Final Deficiency Amounts (as defined below), Treasury grants to the Reserve Bank a security interest in all of Treasury’s right, title, and interest in the MMLF Accounts and the other MMLF Fund Assets.

(e) The Reserve Bank, in its capacity as secured party, shall have exclusive control and dominion over the MMLF Accounts and the MMLF Fund Assets, and the Reserve Bank shall be entitled to give all instructions, entitlement orders and other communications with respect to the MMLF Fund Assets, and to take all related actions in connection therewith, in accordance with this Agreement, in each case without further consent of Treasury. The Reserve Bank may take any action authorized by law to recover the amount of an obligation owed by Treasury that is due and payable pursuant to this Agreement, including, but not limited to, the realization on any available collateral pledged by Treasury to the Reserve Bank under this Agreement or in connection with the MMLF, and the exercise of any other rights the Reserve Bank may have as a creditor under applicable law.

(f) Treasury authorizes the Reserve Bank, as a secured party, to (i) establish and maintain the MMLF Accounts and to further evidence the Reserve Bank’s security interest in the MMLF Accounts and MMLF Fund Assets, (ii) enter into such agreements, instruments and other documentation as the Reserve Bank reasonably determines necessary in furtherance of the foregoing, with notification to Treasury and (iii) grant liens on the MMLF Fund Assets on a subordinated basis to secure fees, expenses and other amounts owed and payable to the applicable depository bank or securities intermediary with respect to the applicable MMLF Accounts. Treasury hereby authorizes the Reserve Bank, with notification to Treasury, to enter into, and if requested will deliver to the Reserve Bank, all documents, and, with notification to Treasury, the Reserve Bank may take such other actions as the Reserve Bank may from time to time determined to be necessary in order to maintain a first priority perfected security interest in and, if applicable, control of, the MMLF Accounts and the other MMLF Fund Assets.

ARTICLE II

DISBURSEMENTS FROM THE MMLF FUND

2.1 Letter of Agreement; MMLF Collateral.

(a) Pursuant to Letters of Agreement (in the form delivered by the Reserve Bank to the Treasury, as such form may be supplemented or modified from time to time, the “Letter of Agreement”) executed by qualified borrowers under the MMLF, qualified borrowers have

requested and may in the future request advances from the Reserve Bank under the MMLF (each such advance, a “MMLF Loan”). As collateral security for such advances, borrowers have granted and will in the future grant a security interest in certain assets as set forth in such Letters of Agreement (any such asset, an “Item of MMLF Collateral”). Except as otherwise set forth herein, all actions taken or not taken with respect to any Item of MMLF Collateral shall be made at the option and sole discretion of the Reserve Bank, provided that the Reserve Bank shall use reasonable care with respect to the safe custody and any other action taken or not taken with respect to each Item of MMLF Collateral.

(b) The Reserve Bank agrees not to supplement or modify the form Letter of Agreement in a way that would have the effect of amending, modifying or supplementing any rights or obligations of Treasury under this Agreement without the prior written consent of the Treasury.

2.2 Specified Event.

(a) From and after the occurrence, in the determination of the Reserve Bank, of any Specified Event (as defined below) with respect to any Item of MMLF Collateral under the MMLF, the Reserve Bank shall have the right to demand, and Treasury irrevocably agrees to pay from the MMLF Fund and the other MMLF Fund Assets (or to otherwise have deducted from the amounts payable to Treasury under Section 2.5 below), a credit support amount with respect to such Item of MMLF Collateral as determined in accordance with Section 2.4 below, to the extent such amounts do not exceed, in the aggregate, the Credit Support Amount together with any amounts payable to Treasury under Section 2.5 below.

(b) “Specified Event” means, with respect to any Item of MMLF Collateral as determined by the Reserve Bank to have due and payable obligations that have not been paid by, or on behalf of, the issuer of that Item of MMLF Collateral on its maturity date, the transfer of the applicable borrower’s rights, title and interest in such Item of MMLF Collateral to the Reserve Bank (whether pursuant to a transfer as described in the “Non-Recourse Basis” section of the applicable Letter of Agreement or otherwise).

(c) The Reserve Bank shall provide Treasury a notice of any Specified Event in accordance with Section 4.1 below.

2.3 Disposition of MMLF Collateral.

(a) The Reserve Bank may elect to dispose of any Item of MMLF Collateral at any time after a notice of a Specified Event with respect thereto is provided to Treasury and shall do so taking into account the maximization of the value thereof and the mitigation of the potential for a disruption of the markets affected thereby.

(b) On or after the one-year anniversary of the receipt of notice of a Specified Event, with respect to any corresponding Item of MMLF Collateral still held by the Reserve Bank at that time, Treasury may elect to direct the Reserve Bank to immediately dispose of such Item of MMLF Collateral pursuant to a written notice to the Reserve Bank setting forth reasonably detailed instructions for such disposition. The Reserve Bank shall, subject to

any limitations or restrictions on transfer or other applicable requirements, dispose of such Item of MMLF Collateral in accordance with such instructions.

2.4 Determination of Final Deficiency Amount.

(a) The final credit support amount to be settled from the MMLF Fund and the other MMLF Fund Assets with respect to any Item of MMLF Collateral shall be a final deficiency amount (the “Final Deficiency Amount”) equal to:

- (i) the amount of the extension of credit by the Reserve Bank to a borrower corresponding to such Item of MMLF Collateral (inclusive of accrued interest thereon) in accordance with the applicable Letter of Agreement, minus
- (ii) the net cash proceeds received by the Reserve Bank upon the disposition of such Item of MMLF Collateral (whether by sale or other disposition), or, if no such disposition shall have occurred, an amount mutually agreed between Treasury and the Reserve Bank to approximate fair value to the extent practicable.

(b) The Final Deficiency Amount for any Item of MMLF Collateral shall be calculated as of the date of final disposition of such Item of MMLF Collateral by the Reserve Bank (or, if no such disposition shall have occurred, as of the date mutually agreed between Treasury and the Reserve Bank), and the amount shall be payable by Treasury to the Reserve Bank; provided that in no event shall the aggregate amount payable by Treasury to the Reserve Bank hereunder exceed the Credit Support Amount together with any amounts payable to Treasury under Section 2.5 below.

2.5 Determination of Facility Fees.

The Reserve Bank agrees to pay to Treasury a fee in respect of each MMLF Loan (each, a “Facility Fee”) for the use of the Credit Support Facility based on the amount of interest owed on such MMLF Loan. The Facility Fee for each MMLF Loan shall be an amount equal to 90 percent of the difference between the rate charged to the related borrower on the MMLF Loan and the primary credit rate offered by the Reserve Bank to depository institutions at the time the MMLF Loan was advanced.

2.6 Settlement of Final Deficiency Amount and Facility Fee; Additional Amounts to Transferred MMLF Fund.

(a) Treasury agrees to pay all then-outstanding Final Deficiency Amounts payable to the Reserve Bank hereunder, and Treasury hereby irrevocably authorizes and directs the Reserve Bank to deduct, or to otherwise cause the withdrawal and payment of, funds equal to such Final Deficiency Amounts from the Transferred MMLF Fund and the other MMLF Fund Assets and pay such funds for the sole account of the Reserve Bank or its designee, and shall cause any additional amounts to be transferred in accordance with clauses (1) and (2) below, on the tenth day following each of the dates set forth in clauses (i) through (iv) below (or, if any such date is not a business day, the immediately preceding business

day) (each such payment date shall be referred to as a “Payment Date”; and, each date in clauses (i) through (iv) below shall be referred to as a “Payment Notification Date”):

- (i) September 30, 2020 (provided that, if the Board, with the approval of the Secretary of the Treasury, shall have permitted extensions of credit under the MMLF to be made after September 30, 2020, this clause (i) shall also include the last day of each calendar quarter occurring prior to the final date on which the Reserve Bank is permitted to make extensions of credit under the MMLF and the final date on which the Reserve Bank is permitted to make extensions of credit under the MMLF);
- (ii) the last day of each calendar quarter occurring after the last extension of credit made by the Reserve Bank under the MMLF and prior to the date of the final disposition of the last Item of MMLF Collateral; and
- (iii) the date of the final disposition of the last Item of MMLF Collateral, except with respect to any Item of MMLF Collateral that the Reserve Bank reasonably determines, in consultation with Treasury, that no date of disposition can be determined, such other date as shall be mutually agreed between Treasury and the Reserve Bank;

provided that, the parties agree that:

- (1) for the mutual convenience of the parties, any payment owed to the Reserve Bank by Treasury in accordance with this Agreement on any Payment Date will be reduced by unpaid Facility Fees associated with (x) MMLF Loans that have been fully paid at least five business days prior to such Payment Notification Date and (y) MMLF Loans for which the Reserve Bank will receive credit support under this Agreement on such Payment Notification Date, and any such reduction shall be deemed to be payment of the relevant Facilities Fees; and
 - (2) Treasury shall deposit or otherwise transfer in cash to the MMLF FRBNY Accounts as directed by the Reserve Bank, on the Payment Date, a portion of the untransferred MMLF Fund equal to the lesser of (x) the amount required to restore the balance of the MMLF FRBNY Accounts to \$1.5 billion after completion of the payment of the Final Deficiency Amounts, net of Facilities Fees, on such Payment Date to the Reserve Bank or (y) the remaining amount of the untransferred portion of the MMLF Fund.
- (b) Immediately before this Agreement is terminated, the Reserve Bank will pay any unpaid Facility Fees to the Exchange Stabilization Fund in accordance with written instructions to be provided by Treasury.

ARTICLE III
TERMINATION OF AGREEMENT; RETURN OF MMLF FUND

3.1 Termination. This Agreement shall terminate upon the date the Reserve Bank shall give written notice to Treasury that (a) the MMLF shall have terminated in accordance with Board's authorization thereof, (b) all extensions of credit made pursuant to the MMLF have been discharged and released in full, (c) all Final Deficiency Amounts with respect to all relevant Items of MMLF Collateral have been determined and paid, (d) all amounts payable under Section 2.6(b) above have been paid, and (e) all amounts to be returned to Treasury under Section 3.2 below have been returned.

3.2 Return of Transferred MMLF Fund and the other MMLF Fund Assets. Within three (3) business days following payment in full of all Final Deficiency Amounts, the Reserve Bank shall return to the Exchange Stabilization Fund in accordance written instructions to be provided by Treasury any unused amount of the Transferred MMLF Fund and MMLF Fund Assets, or otherwise release any right to withdraw any unused amount of the MMLF Fund (including the Transferred MMLF Fund and MMLF Fund Assets) in the manner agreed to by Treasury and the Reserve Bank.

ARTICLE IV
NOTICES AND REPORTING

4.1 Notices and Reporting to Effectuate the Agreement.

(a) To permit the parties to perform their obligations under this Agreement, promptly following the occurrence of a Specified Event with respect to any Item of MMLF Collateral, the Reserve Bank shall give notice of such Specified Event to the Treasury, which notice shall include (i) identification of such Item of MMLF Collateral, (ii) the then outstanding balance owed to the Reserve Bank corresponding to such Item of MMLF Collateral (inclusive of accrued interest thereon) in accordance with the applicable Letter of Agreement and (iii) to the extent reasonably determinable by the Reserve Bank, the estimated value of such Item of MMLF Collateral.

(b) To permit the parties to perform their obligations under this Agreement, the Reserve Bank shall provide periodic reporting on (i) all Items of MMLF Collateral maintained by the Reserve Bank and in respect of which a Specified Event shall have occurred, including a breakdown of such Items of MMLF Collateral that have and have not been disposed of as of the date of such reports, (ii) estimated Final Deficiency Amounts determined in accordance with this Agreement, and (iii) the amount of the remaining funds in the Transferred MMLF Fund and the other MMLF Fund Assets, in each case, at reasonable times and in form and substance as shall be mutually agreed between Treasury and the Reserve Bank.

(c) To permit the parties to perform their obligations under this Agreement, (i) on the applicable Payment Notification Date, the Reserve Bank shall give Treasury at least ten days' prior written notice of any settlements to be made on any Payment Date under Section 2.6 and (ii) at least ten days prior to the return of the Transferred MMLF Fund and the other MMLF Fund Assets under Section 3.2 the Reserve Bank shall give Treasury prior written

notice thereof, in each case, together with an accounting of how the amounts proposed to be distributed as described above have been calculated.

4.2 Provision of Other Information. Subject, as appropriate, to confidentiality restrictions, the Reserve Bank agrees to provide Treasury reporting and documentation as mutually agreed to by the Reserve Bank and Treasury, which at a minimum will include all information necessary for Treasury to comply with its statutory reporting obligations, regulations and guidelines implementing statutory reporting obligations applicable to Treasury, and Generally Accepted Accounting Principles.

4.3 Notices. All notices and reports required by this Agreement shall be in writing to the contacts below, or such other contact as may be notified in writing by either party from time to time. Such notices and reports and other communications hereunder may be delivered or furnished by electronic mail.

If to Treasury:

The United States Department of the Treasury
1500 Pennsylvania Ave, NW
Washington, D.C. 20220
Attention:
Telephone:
Email address:

and

The United States Department of the Treasury
1500 Pennsylvania Ave, NW
Washington, D.C. 20220
Attention:
Telephone:
Email address:

If to the Reserve Bank:

The Federal Reserve Bank of Boston
600 Atlantic Avenue
Boston, MA 02210
Attention:
Telephone:
Email address:

ARTICLE V
INTERNAL CONTROLS

5.1 Internal Controls. The Reserve Bank shall develop and maintain an internal controls program with respect to the MMLF that is designed to ensure effective and efficient operations, reliable reporting, and compliance with applicable laws and regulations and shall at least annually review such program for effectiveness.

ARTICLE VI
MISCELLANEOUS PROVISIONS

6.1 Each party hereto represents and warrants that this Agreement constitutes its valid and legally binding agreement enforceable against it in accordance with its terms.

6.2 This Agreement shall be governed by and construed in accordance with the Federal law, and if there is no applicable Federal law, the laws of the Commonwealth of Massachusetts.

6.3 This Agreement may be amended, modified, and/or supplemented only by an instrument in writing executed by Treasury and the Reserve Bank.

6.4 Delivery of an executed counterpart of a signature page of this Agreement by telecopy, e-mailed .pdf or any other electronic means that reproduces an image of the actual executed signature page shall be effective as delivery of a manually executed counterpart of this Agreement. The words “execution,” “signed,” “signature,” “delivery,” and words of like import in or relating to any document to be signed in connection with this Agreement and the transactions contemplated hereby shall be deemed to include electronic signatures, deliveries or the keeping of records in electronic form, in each case, in a form acceptable to the Reserve Bank at its sole discretion, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature, physical delivery thereof or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, the Massachusetts Uniform Electronic Transactions Act, or any other similar state laws based on the Uniform Electronic Transactions Act.

6.5 This Agreement constitutes a contract solely between Treasury and the Reserve Bank and is enforceable solely by them and no other persons. This Agreement may not be enforced on a third party beneficiary or any similar basis.

6.6 Neither Treasury nor the Reserve Bank shall assign any of its respective rights, benefits, duties or obligations hereunder without the prior written consent of the Reserve Bank or Treasury, respectively.

[signatures appear on the following page(s)]

IN WITNESS WHEREOF, the parties hereto have executed and delivered this Agreement as of the day and year first above written.

DEPARTMENT OF THE TREASURY

By: _____
Name: _____
Title: _____

THE FEDERAL RESERVE BANK OF BOSTON

By: _____
Name: _____
Title: _____