

*[The signed undertaking shall be delivered to TALF II LLC and the Federal Reserve Bank of New York electronically to [nytalf@ny.frb.org](mailto:nytalf@ny.frb.org).]*

## **FORM OF UNDERTAKING TO BE DELIVERED BY POOL ASSEMBLERS IN CONNECTION WITH TALF-ELIGIBLE SBA 7(A) POOL CERTIFICATES**

The undersigned ([collectively] “**we**”)<sup>1</sup> hereby [jointly and severally] agree to the following:<sup>2</sup>

1. We have reviewed the terms and conditions of the Term Asset-Backed Securities Loan Facility (“**TALF**”) established by the Federal Reserve. Terms used below that are defined or explained in such terms and conditions, or in FAQs or other interpretative material published by the Federal Reserve Bank of New York (“**FRBNY**”), or in that certain Master Loan and Security Agreement in connection with TALF (the “**MLSA**”) shall have the meanings provided in such terms and conditions, FAQs, other interpretative material, or the MLSA.<sup>3</sup>

2. We hereby represent and warrant to TALF II LLC (the “**Lender**”) and FRBNY that each of the small business asset-backed securities (the “**Small Business ABS**”) referred to in Item 6 below, and sold by us, meets at all times the collateral eligibility criteria under the TALF. Specifically: (a) the securities are U.S. dollar-denominated cash asset-backed securities for which all of the underlying assets are fully guaranteed as to principal and interest by the full faith and credit of the U.S. government; (b) the underlying assets were originated under Section 7(a) of the Small Business Act; (c) the underlying assets do not include exposures that are themselves cash or synthetic asset-backed securities; (d) the securities were issued on or after January 1, 2019, regardless of the dates of the underlying loans; and (e) the securities are issued by or sponsored by U.S. entities that have not received specific support pursuant to section 4003(b)(1)-(3) of the Coronavirus Aid, Relief, and Economic Security Act of 2020 (“**CARES Act**”) (Subtitle A of Title IV of the CARES Act). Section 4003(b)(1)-(3) authorizes the U.S. Department of the Treasury (“**Treasury**”) to make loans, loan guarantees, and other investments in support of certain eligible businesses.

3. We hereby undertake that, until the maturity of the Small Business ABS, we will issue a press release and notify the Lender and FRBNY (via [nytalf@ny.frb.org](mailto:nytalf@ny.frb.org)) and all registered holders of such securities if we determine that the statements set forth in Item 2 above were not correct when made or have ceased to be correct. We will issue such press release and make such notification no later than 9:00 a.m. (New York time) on the fourth business day after we make such determination.

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<sup>1</sup> [If the entity is a special purpose vehicle, the entity’s direct or indirect ultimate parent must also execute this Undertaking. In such case, the bracketed phrases shall be included in the Undertaking.]

<sup>2</sup> [This Undertaking must be signed by either (x) the pool assembler with respect to the transaction pursuant to which the CUSIP #s referred to herein have been or will be issued or (y) any other pool assembler that is selling the Small Business ABS in connection with a TALF-financed transaction.]

<sup>3</sup> The terms and conditions, FAQs, the MLSA, and other interpretive materials are available on FRBNY’s website at: <https://www.newyorkfed.org/markets/term-asset-backed-securities-loan-facility>.

4. We further hereby represent and warrant to the Lender and FRBNY that the weighted average life of the Small Business ABS referred to in Item 6 below on the date of issuance is [insert the weighted average life], which was calculated based on the prepayment assumption of 14% CPR set forth in the FAQs.

5. We further hereby represent and warrant to the Lender and FRBNY that the Small Business ABS referred to in Item 6 below [was first issued and settled in DTC on [insert the date]] [has not yet been issued and settled in DTC and that we will promptly notify the Lender and FRBNY (via [nytalf@ny.frb.org](mailto:nytalf@ny.frb.org)) of the date of such occurrence].<sup>4</sup>

6. If any Small Business ABS [sold by us] [assembled by us] [designated as Class [ ]], CUSIP #: [ ]<sup>5</sup> fails to meet the TALF eligibility criteria specified in Item 2 above for any reason (including at any time during which such Small Business ABS is no longer collateral for a loan made pursuant to TALF), or if the representation or warranty made or deemed made in Item 4 above is incorrect or misleading when made or deemed made, we hereby irrevocably agree to purchase such Small Business ABS from the Lender (to the extent the Lender is exercising remedies under the MLSA or to the extent such Small Business ABS has been surrendered to the Lender by the applicable borrower) immediately upon demand at a purchase price equal to the Collateral Equivalent Value thereof (as defined below) plus accrued interest thereon, determined at the time such demand is made. We hereby acknowledge and agree that this remedy is not exclusive nor will it replace or be subsequent to any remedy and recourse rights of the Lender, FRBNY, their affiliates and their respective successors and assignees, against any borrowers or other parties under the TALF. “**Collateral Equivalent Value**” means, at any time of determination, the product of (x) the ratio of (1) the aggregate Collateral Value of such Collateral at the time the Loan secured thereby (the “**Applicable Loan**”) was made, to (2) the principal amount of the Applicable Loan at the time such Applicable Loan was made, multiplied by (y) the outstanding principal amount of the Applicable Loan at the time of determination.

7. We acknowledge that the Lender, FRBNY, and the Treasury are relying on each of the undertakings, representations, warranties and agreements set forth herein in agreeing to exempt Small Business ABS from that certain auditor attestation, issuer certification and indemnity undertaking and will suffer damages if any of the foregoing is incorrect. [The obligations set forth in this agreement shall be joint and several among the undersigned.]

8. This agreement and the rights and obligations of the parties under this agreement shall be governed by, and construed and interpreted in accordance with, the laws of the State of New York. Each party hereby unconditionally and irrevocably submits itself to the exclusive jurisdiction of the courts of the United States for the Southern District of New York, and

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<sup>4</sup> [If the Small Business ABS comprise multiple Classes or CUSIP #s, please specify the date that each is first issued and settled in DTC.]

<sup>5</sup> [You are permitted to include multiple Classes and CUSIP #s. Each CUSIP # must be covered by an Undertaking.]

appellate courts thereof; provided that, notwithstanding the foregoing, if there is no basis for federal jurisdiction in respect of any such legal action or proceeding or recognition and enforcement action, then each party submits for itself and its property in any such legal action or proceeding or recognition and enforcement action to the exclusive jurisdiction of the courts of the State of New York located in the Borough of Manhattan in New York City, and appellate courts thereof. **EACH PARTY HERETO HEREBY UNCONDITIONALLY AND IRREVOCABLY WAIVES ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY ACTION, SUIT, COUNTERCLAIM, OR CROSS CLAIM ARISING IN CONNECTION WITH, OUT OF, OR OTHERWISE RELATING TO THIS UNDERTAKING, THE SECURITIES, THE UNDERLYING ASSETS, OR ANY OTHER TRANSACTION DOCUMENT, OR ANY TRANSACTION OR AGREEMENT ARISING THEREFROM OR RELATED THERETO.**

[Name of entity]

By: \_\_\_\_\_

Name:

Title:

if applicable: [Name of Other Applicable Entity Required to Sign]

By: \_\_\_\_\_

Name:

Title: