

Submitted April 16, 2020 to the United States Federal Reserve

**Re: Independent Film & Television Alliance's Comments to the Term Sheets of the Main Streeting Lending Program**

IFTA is the trade association for the independent film and television industry, representing more than 140 companies, the majority of which US SMEs. These companies finance, produce and license programming worldwide, producing more than 70% of U.S. films. They rely heavily on bank financing of production costs, secured by revenues receivable under licensing agreements with third party distributors throughout the world.

Current conditions have disrupted film production and commercial exploitation of existing films, and delayed the payment of license fees. The loans available under the Main Street Program would serve as a vital stopgap to allow the industry to rebuild and employ workers. However, certain loan qualification criteria are ill-suited to this industry because companies typically have significant existing credit facilities secured by their productions or receivables.

IFTA recommends that the Main Street Term Sheets are revised to (1) include an alternate test for the maximum loan amount which eliminates from consideration existing loans for which the bank is fully secured against license receivables; (2) avoid any requirement existing secured credit facilities be subordinated to these loans; (3) specify that amortization of film production costs are added back to earnings for purposes of computing EBITDA and establishing the maximum loan amount; and (4) provide qualification flexibility for recently established companies. See also Solstice Studios' Comment.

Respectfully submitted by IFTA,

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