



## COVID-19 Emergency Loan Program for AFL-CIO Affiliate Unions

For nearly a century, Bank of Labor has supported America's Labor movement. Our unique mission and the values we share with organized Labor put us in the right position to go above and beyond in serving Labor's financial needs. Never before has our mission focus been more critical.

The AFL-CIO is working nonstop to ensure workers and their unions devastated by the COVID-19 pandemic receive the protections and support they need during this challenging time, and both Bank of Labor and the AFL-CIO recognize that AFL-CIO Affiliate Unions are a critical link in providing that support. As a result, Bank of Labor has developed the COVID-19 Emergency Loan Program to support both the AFL-CIO and its Affiliate Unions.

We've pulled out all the stops to create a program that will be most helpful to Affiliate Unions during these uncertain times. On the Term Sheet, you will see that the terms are designed *specifically for our Labor friends*, the structure is unusually Labor friendly and we've waived all customary fees. Our objective is to provide financial support in this unprecedented time of need.

We recognize that each Affiliate Union will have different borrowing needs, timelines, capabilities and resources, and our plan was to put the framework and resources in place *now* to meet those needs and circumstances in the coming months.

Bank of Labor has initially earmarked \$30 million to fund the COVID-19 Emergency Loan Program, available to support AFL-CIO Affiliate Unions today. We also have the resources to grow the COVID-19 Emergency Loan program, and our goal is to earmark up to \$100 million for that purpose.\*

## COVID-19 Emergency Loan Program for AFL-CIO Affiliate Unions

Bank of Labor stands ready to serve in this role with our Labor friends during these uncertain times and the rapidly changing financial environment. This Term Sheet sets forth the terms, conditions and limitations of the COVID-19 Emergency Loan Program available to AFL-CIO Affiliate Unions through Bank of Labor. **For additional information, contact Senior Vice President Bridget Martin at [bmartin@bankoflabor.com](mailto:bmartin@bankoflabor.com) or 703-850-6124.**

Type of Instrument Used to Fund Loan(s)	Non-revolving Single Advance Term Note
Duration of Each Note	Up to 5 years
Maximum Program Allocation Amount to Each Participant	The Program Allocation amount will be subject to the needs and timing of each AFL-CIO Affiliate Union with an initial allocation cap of \$3,000,000 per Affiliate Union. However, we reserve the right to allocate amounts above \$3,000,000 per Affiliate Union or transition to a more standardized loan program, if applicable.
Maximum Amount Per Each Loan Request	We anticipate issuing individual notes in value not more than \$1,000,000 per note. This provides liquidity and flexibility to the Affiliate Unions as needed.
Notice of Note Preparation	Each Affiliate Union seeking a loan shall provide Bank of Labor with a written request. Bank of Labor anticipates issuance of the notes within five (5) business days of receipt. Each Affiliate Union may submit one (1) request during each five (5) consecutive business day period.
Repayment of Note	Standard Terms—Each note will be repaid / prepaid in the order of the oldest note first. Note may be repaid/prepaid on quarterly interest rate reset dates.
Collateral Types & Advance Rate % of Market Value	Certificates of Deposit issued by Bank of Labor—100% Government Bonds (including Agencies)—up to 90% Certificates of Deposit issued by another financial institution—95% Corporate Bonds Rated “AA” or better—up to 85% Securities actively traded on recognized stock exchange—up to 70% Other assets mutually agreed upon—TBD
Collateral Custodian**	Bank of Labor Trust Division
Outstanding Availability	The cumulative value of the collateral pledged to secure the outstanding sum of the loans to each Affiliate Union will be reviewed periodically and is subject to prepayment prior to maturity if the sum of the outstanding loan(s) to the Affiliate Union exceeds the market value of the margined collateral.
Interest Rate**	3 month LIBOR + 2.70%, adjusted quarterly from date of note, with a LIBOR floor of 1.00% and a ceiling of 2.00%. (2.00% ceiling through June 30, 2021, expiring thereafter.)
Administrative Fee Per Note	Waived
Documentation Fee Per Note	Waived
Prepayment Fee	Waived
Facility Fee	Waived
Commitment Fee	Waived
Attorney Fee	Waived
Documentation	Normal and customary for the type(s) of collateral pledged to the note(s)

Each Affiliate Union may be allocated a dollar amount of a portion of a \$100,000,000 COVID-19 Emergency Loan Program that Bank of Labor has offered at the behest of the AFL-CIO and with the consent of Bank of Labor.

\* While we will make every attempt to fulfill request(s) for loans pursuant to the COVID-19 Emergency Loan Program, uncertain times and the rapidly changing financial environment may create market conditions or other circumstances that limit or prohibit Bank of Labor’s ability or willingness to fulfill any or all of a portion of a loan request pursuant to the COVID-19 Emergency Loan Program. The AFL-CIO and each Affiliate Union acknowledge that the establishment of the COVID-19 Emergency Loan Program by Bank of Labor does not constitute a commitment to loan money and that nothing has been paid or conveyed to Bank of Labor that would constitute consideration for establishing the COVID-19 Emergency Loan Program. We also seek confirmation from all participating Affiliate Unions that Bank of Labor, at its sole discretion, may cease to loan money, at any time, pursuant to the COVID-19 Emergency Loan Program, whether generally or to an individual Affiliate Union.

\*\* Bank of Labor custodial fees will be waived until June 30, 2021 on any assets pledged to the Bank pursuant to the Loan Program.

Existing customers of Bank of Labor will see an interest rate reduction of 25 b.p. on their loan through June 30, 2021. International Unions who do not presently have their main banking relationship but who commit to moving their primary accounts to Bank of Labor will see an interest rate reduction of 25 b.p. on their loan through June 30, 2021.