

Approval of Reduced Asset Coverage under Small Business Credit Availability Act

On March 23, 2018, the Consolidated Appropriations Act of 2018, which includes the Small Business Credit Availability Act (the "SBCAA"), was signed into law. The SBCAA, among other things, amends the Investment Company Act of 1940, as amended (the "1940 Act"), to permit a business development company ("BDC") to reduce the required minimum asset coverage ratio applicable to it from 200% to 150%, subject to certain requirements described therein.

On May 3, 2018, OFS Capital's Board of Directors (the "Board"), including a "required majority" (as such term is defined in Section 57(o) of the 1940 Act) of the Board, approved the application of the modified asset coverage requirements set forth in Section 61(a)(2) of the 1940 Act, as amended by the SBCAA. As a result, effective May 3, 2019, the asset coverage ratio test applicable to OFS Capital decreased from 200% to 150%.