

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
FORM 8-K
CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of Earliest Event Reported):

September 22, 2014

HMS Income Fund, Inc.

(Exact name of registrant as specified in its charter)

Maryland

814-00939

45-3999996

(State or other jurisdiction
of incorporation)

(Commission
File Number)

(I.R.S. Employer
Identification No.)

2800 Post Oak Blvd, Suite 5000, Houston, Texas

77056-6118

(Address of principal executive offices)

(Zip Code)

Registrant's telephone number, including area code:

(888) 220-6121

Not Applicable

Former name or former address, if changed since last report

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- ☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 1.01. Entry Into a Material Definitive Agreement.

On March 11, 2014, HMS Income Fund, Inc. (the "Company") entered into a senior secured revolving credit agreement (as amended from time to time, the "Syndicated Credit Facility") among Capital One, National Association as lead arranger, sole book runner, and administrative agent ("Capital One"), and the financial institutions party thereto as lenders (together with Capital One, the "Lenders") as amended by the First Amendment among the Company and Lenders dated May 30, 2014. On September 22, 2014, the Company entered into a Second Amendment ("Second Amendment") to the Syndicated Credit Facility. The Second Amendment increases the revolver commitments by the amount of \$35 million (from \$70 million to \$105 million) to be effectuated by a \$5 million increase in the revolver commitment of one of the Lenders and the addition of a \$30 million revolver commitment from a new lender in the Syndicated Credit Facility (the "Additional Lender"). The Additional Lender also joins the Syndicated Credit Facility as a lender as of the date thereof.

This description of the Second Amendment does not purport to be complete and is qualified in its entirety by reference to the Second Amendment filed as Exhibit 10.1 to this Current Report on Form 8-K, and incorporated herein by reference.

Item 2.03. Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of the Registrant.

The information set forth in Item 1.01 is incorporated herein by reference to this Item 2.03.

Item 8.01. Other Events.

Fourth Quarter 2014 Distributions

With the authorization of its board of directors, HMS Income Fund recently declared distributions for the months of October - December 2014 with respect to shares of its common stock, par value \$0.001 per share (the "Common Stock"). These distributions will be calculated based on stockholders of record each day from October 1, 2014 through December 31, 2014 in an amount equal to \$0.00191781 per share of Common Stock, per day (which represents an annualized distribution yield of 7% based on HMS Income Fund's current public offering price of \$10.00 per share of Common Stock, if it were maintained everyday for a twelve-month period). Distributions will be paid on the first business day following the completion of each month to which they relate. All distributions will be paid in cash or reinvested in Common Stock for those participating in HMS Income Fund's distribution reinvestment plan.

Statements in this Current Report on Form 8-K, including intentions, beliefs, expectations or projections relating to items such as the timing of payment of distributions are forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Such statements are based on current expectations and assumptions with respect to, among other things, future economic, competitive and market conditions and future business decisions that may prove incorrect or inaccurate. Important factors that could cause actual results to differ materially from those in the forward-looking statements include the risks described in the "Risk Factors" section of HMS Income Fund's Annual Report on Form 10-K for the year ended December 31, 2013 and quarterly reports filed on Form 10-Q, filed with the Securities and Exchange Commission. All forward-looking statements contained in this Current Report on Form 8-K are made only as of the date of this Current Report on Form 8-K and HMS Income Fund undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law. Readers are cautioned not to place undue reliance on any of these forward-looking statements.

Item 9.01. Financial Statements and Exhibits.

EXHIBIT NUMBER	DESCRIPTION
---------------------------	--------------------

10.1	Second Amendment to Senior Secured Revolving Credit Agreement, dated as of September 22, 2014, by and among HMS Income Fund, Inc., as borrower, the financial institutions party thereto as lenders, Capital One, National Association, as Lead Arranger, Sole Book Runner and Administrative Agent, and HMS Equity Holding, LLC as Guarantor.
------	--

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

HMS Income Fund, Inc.

September 25, 2014

By: /s/ Ryan T. Sims

Name: Ryan T. Sims

Title: Chief Financial Officer and Secretary

SECOND AMENDMENT TO CREDIT AGREEMENT

This **Second Amendment to Credit Agreement** (the “*Second Amendment*” or “*this Amendment*”) is made and entered into effective as of September 22, 2014, by and between HMS INCOME FUND, INC., a Maryland corporation (“*Borrower*”), CAPITAL ONE, NATIONAL ASSOCIATION, as Administrative Agent (“*Administrative Agent*”), the Lenders party hereto, including EVERBANK COMMERCIAL FINANCE, INC. (“*Additional Lender*”), which has become a Lender pursuant to this Amendment and HMS EQUITY HOLDING, LLC, a Delaware limited liability company (“*Guarantor*”).

RECITALS

WHEREAS, Borrower, Administrative Agent and the Lenders party thereto immediately prior to the effectiveness of this Amendment (the “*Existing Lenders*”) entered into that certain Senior Secured Revolving Credit Agreement dated as of March 11, 2014 (as supplemented by that certain Joinder and Reaffirmation Agreement dated as of April 15, 2014 (the “*Joinder Agreement*”), executed by Guarantor for the benefit of Administrative Agent on behalf of the Lenders, as amended by that certain First Amendment to Loan Documents dated as of May 30, 2014 (the “*First Amendment*”), and as further amended, modified, restated, supplemented, renewed or extended from time to time, the “*Credit Agreement*”);

WHEREAS, in connection with the Credit Agreement, (a) Borrower and the other grantors party thereto entered into that certain Amended and Restated General Security Agreement dated as of March 11, 2014 in favor of Administrative Agent for itself and for the benefit of the Lenders (as supplemented by the Joinder Agreement, as amended by the First Amendment, and as further amended, modified, restated, supplemented, renewed or extended from time to time, the “*Security Agreement*”); and (b) Borrower and the pledgors party thereto entered into that certain Amended and Restated Equity Pledge Agreement dated as of March 11, 2014 in favor of Administrative Agent for itself and for the benefit of the Lenders (as supplemented by the Joinder Agreement, as amended by the First Amendment, and as further amended, modified, restated, supplemented, renewed or extended from time to time, the “*Pledge Agreement*”); and

WHEREAS, Borrower has requested that the Existing Lenders and the Administrative Agent amend certain provisions to the Credit Agreement, and said parties are willing to do so subject to the terms and conditions set forth herein, provided that Borrower and Guarantors ratify and confirm all of their respective obligations under the Credit Agreement and each other Loan Document to which each is a party;

NOW, THEREFORE, in consideration of the foregoing and the mutual covenants set forth in this Amendment, Borrower, Guarantor, the Lenders party hereto (including the Additional Lender) and the Administrative Agent agree as follows:

1. Defined Terms. Unless otherwise defined herein, capitalized terms used herein have the meanings assigned to them in the Credit Agreement.

2. Amendments to the Credit Agreement. The Credit Agreement is hereby amended as follows:

(a) Schedule B to the Credit Agreement is hereby amended and restated in its entirety as set forth on Schedule B attached hereto.

3. Increase in Commitments; Joinder of Additional Lender.

(a) Commitment Increase and Notice. By its execution hereof, Borrower hereby requests (i) an increase in the aggregate Revolver Commitments by the amount of \$35,000,000 (from \$70,000,000 to \$105,000,000) (the “**Revolver Increase**”), to be effectuated by a \$5,000,000 increase in the Revolver Commitment of Patriot Bank (the “**Increasing Lender**”) and the addition of a \$30,000,000 Revolver Commitment from the Additional Lender, (ii) that the Additional Lender join the Credit Agreement as a Lender with a Revolver Commitment of \$30,000,000, in each case as set forth on Schedule B hereto and (iii) that the Commitment Increase Date be the date hereof.

(b) Consent of Administrative Agent. By its execution hereof, Administrative Agent consents to (i) the increase in the aggregate Revolver Commitments by the amount of \$35,000,000, (ii) the joinder of the Additional Lender as a Lender under the Credit Agreement with a Revolver Commitment of \$30,000,000, (iii) the new allocations of the Revolver Commitment as set forth on Schedule B to this Second Amendment, which Schedule B replaces the Schedule B to the Credit Agreement as of the date of the Second Amendment and (iv) the establishment of the date hereof as the Commitment Increase Date.

(c) Joinder of Additional Lender. By its execution hereof, Additional Lender hereby joins the Credit Agreement as a Lender and becomes a party to the Credit Agreement with a Revolver Commitment of \$30,000,000 as set forth on Schedule B hereto, with all of the duties, obligations, rights and privileges appurtenant thereto, including those specifically set forth in this Amendment. Additional Lender agrees that this Amendment constitutes the joinder agreement for purposes of Section 2.14(b) the Credit Agreement. Additional Lender acknowledges that (i) it has, independently and without reliance upon the Administrative Agent or any other Lender and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to execute this Amendment and join the Credit Agreement as a Lender, and (ii) it will, independently and without reliance upon the Administrative Agent or any other Lender and based on such documents and information as it shall from time to time deem appropriate, continue to make its own decisions in taking or not taking action under or based upon this Agreement, any related agreement or any document furnished hereunder or thereunder.

4. Acknowledgments of Administrative Agent and Existing Lenders Regarding Commitment Increase. By their execution hereof, each of the Administrative Agent and each Existing Lender party hereto acknowledges and agrees that:

(a) Section 3(a) of this Amendment shall be deemed to be a requested Commitment Increase from Borrower with respect to the Existing Lender increase and the joinder of Additional Lender to the Credit Agreement all as shown on Schedule B;

(b) the Commitment Increase Date shall be the date hereof;

(c) this Amendment constitutes the joinder agreement for purposes of Section 2.14(b) the Credit Agreement with respect to the joinder of Additional Lender to the Credit Agreement; and

(d) each Existing Lender waives any rights of such Existing Lender under Section 2.14 of the Credit Agreement to any prior notice of the increase in the aggregate Revolver Commitment, or to participate in the increase in the aggregate Revolver Commitment, in each case, effectuated pursuant this Amendment, except to the extent specifically set forth herein.

5. Conditions to Effectiveness. This Amendment shall be effective upon satisfaction of each of the following conditions:

(a) the Administrative Agent (or its counsel) shall have received from each of Borrower, the Guarantors, the Increasing Lender, the Existing Lenders constituting at least the Required Lenders (determined prior to, and without giving effect to, the Additional Lender having joined the Credit Agreement and the increase in the Revolver Commitments effectuated pursuant to this Amendment) and the Additional Lender, either (a) a counterpart of this Amendment signed on behalf of such party or (b) written evidence satisfactory to the Administrative Agent (which may include telecopy transmission of a signed signature page of this Amendment) that such party has signed a counterpart of this Amendment;

(b) the Administrative Agent shall have received all amounts due and owing, including payment of all other fees and reimbursement or payment of all legal fees and other expenses required to be reimbursed or paid by Borrower to the extent that invoices have been provided to Borrower;

(c) the Administrative Agent shall have received, for the benefit of the Additional Lender and the Increasing Lender, an executed Note in the amount of such Lender's Revolver Commitment following the effectiveness of this Amendment;

(d) the Administrative Agent shall have received resolutions of the board of directors (or other governing body) of Borrower certified by the Secretary (or other custodian of records) of Borrower which authorize the execution, delivery, and performance by Borrower of this Amendment;

(e) the Administrative Agent shall have received a certificate of the Chief Financial Officer or another Responsible Officer, required pursuant to Section 2.14(d)(i)(D) of the Credit Agreement; and

(f) the Administrative Agent shall have received all documents and other items that it may reasonably request relating to any other matters relevant hereto, all in form and substance satisfactory to the Administrative Agent.

6. Representations and Warranties. Each of the Borrower and each Guarantor represents and warrants as follows:

(a) it is duly authorized and empowered to execute, deliver and perform this Amendment and all other instruments referred to or mentioned herein to which it is a party, and all action on its part requisite for the due execution, delivery and the performance of this Amendment has been duly and effectively taken;

(b) after giving effect to this Amendment, the representations and warranties contained in the Credit Agreement, as amended hereby, and any other Loan Documents to which it is a party executed in connection herewith or therewith are true in all material respects on and as of the date hereof as though made on and as of the date hereof, except to the extent that such representation or warranty was made as of a specific date, in which case such representation or warranty was true in all material respects when made;

(c) after giving effect to this Amendment, no event has occurred and is continuing which constitutes a Default; and

(d) when duly executed and delivered, each of this Amendment, the Credit Agreement and any other Loan Documents to which it is a party executed in connection herewith or therewith will be legal and binding obligations of it, enforceable in accordance with their respective terms, except as limited by bankruptcy, insolvency or similar laws of general application relating to the enforcement of creditors' rights and by equitable principles of general application.

7. Continuing Effect of the Credit Agreement. This Amendment shall not constitute a waiver of any provision not expressly referred to herein and shall not be construed as a consent to any action on the part of Borrower or Guarantors that would require a waiver or consent of the Lenders or an amendment or modification to any term of the Loan Documents except as expressly stated herein. Except as expressly modified hereby, the provisions of the Credit Agreement and the Loan Documents are and shall remain in full force and effect.

8. Ratification. Borrower and each Guarantor hereby confirm and ratify the Credit Agreement, the Collateral Documents and each of the other Loan Documents to which it is a party, as amended hereby, and acknowledge and agree that the same shall continue in full force and effect, as amended hereby and by any prior amendments thereto. Nothing in this Amendment extinguishes, novates or releases any right, claim, lien, security interest or entitlement of any of the Lenders or the Administrative Agent created by or contained in any of such documents nor is Borrower or any other Guarantor released from any covenant, warranty or obligation created by or contained herein or therein.

9. Counterparts. This Amendment may be executed by all parties hereto in any number of separate counterparts each of which may be delivered in original, electronic or facsimile form and all of such counterparts taken together shall be deemed to constitute one and the same instrument.

10. References. The words “hereby,” “herein,” “hereinabove,” “hereinafter,” “hereinbelow,” “hereof,” “hereunder” and words of similar import when used in this Amendment shall refer to this Amendment as a whole and not to any particular article, section or provision of this Amendment. References in this Amendment to an article or section number are to such articles or sections of this Amendment unless otherwise specified.

11. Headings Descriptive. The headings of the several sections and subsections of this Amendment are inserted for convenience only and shall not in any way affect the meaning or construction of any provision of this Amendment.

12. Governing Law. This Amendment shall be governed by and construed in accordance with the law of the State of New York, without regard to such state’s conflict of laws rules.

13. Final Agreement of the Parties. THIS AMENDMENT, THE CREDIT AGREEMENT AND THE OTHER LOAN DOCUMENTS REPRESENT THE FINAL AGREEMENT BETWEEN THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES. THERE ARE NO UNWRITTEN ORAL AGREEMENTS AMONG THE PARTIES.

[Signature Pages Follow]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed by their respective authorized officers to be effective as of the day and year first above written.

BORROWER:

HMS INCOME FUND, INC.,
a Maryland corporation

By: /s/ Ryan T. Sims

Name: Ryan T. Sims

Title: Chief Financial Officer and Secretary

GUARANTORS:

HMS EQUITY HOLDING, LLC, a Delaware
limited liability corporation

By: HMS INCOME FUND, INC., a Maryland
corporation, its Managing Member

By: /s/ Ryan T. Sims

Name: Ryan T. Sims

Title: Chief Financial Officer and Secretary

ADMINISTRATIVE AGENT AND LENDER:

CAPITAL ONE, NATIONAL ASSOCIATION

By: /s/ Bobby Hamilton

Name: Bobby Hamilton

Title: Vice President

LENDER:

PATRIOT BANK

By: /s/ Bill Holbert

Name: Bill Holbert

Title: Senior Vice President

LENDER:

WHITNEY BANK

By: /s/ Wayne L. Mediamolle, II
Name: Wayne L. Mediamolle, II
Title: Senior Vice President

LENDER:

TRUSTMARK NATIONAL BANK

By: /s/ Jeff Deutsch

Name: Jeff Deutsch

Title: Senior Vice President

ADDITIONAL LENDER:

EVERBANK COMMERCIAL FINANCE, INC.

By: /s/ Ed McGugan

Name: Ed McGugan

Title: Managing Director

SCHEDULE B
REVOLVER COMMITMENT

<u>Lender</u>	<u>Revolver Commitment</u>
Capital One, National Association	\$35,000,000
Patriot Bank	\$20,000,000
Whitney Bank	\$10,000,000
Trustmark National Bank	\$10,000,000
Everbank Commercial Finance, Inc.	\$30,000,000
TOTAL	\$105,000,000

[Schedule B]