

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):

October 19, 2017

HMS Income Fund, Inc.
(Exact name of registrant as specified in its charter)

Maryland
(State or other jurisdiction
of incorporation)

814-00939
(Commission
File Number)

45-3999996
(I.R.S. Employer
Identification No.)

2800 Post Oak Blvd, Suite 5000, Houston, Texas
(Address of principal executive offices)

77056-6118
(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))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Item 1.01 Entry into a Material Definitive Agreement.

EverBank Credit Facility

On March 6, 2017, HMS Income Fund, Inc. (the “Company”), together with HMS Equity Holding, LLC, a Delaware limited liability company, and HMS Equity Holding II, Inc., a Delaware corporation, each a wholly-owned subsidiary of the Company, entered into an amended and restated credit agreement (the “EverBank Credit Facility”) with EverBank Commercial Finance, Inc. and certain other financial institutions as lenders. On October 19, 2017, the Company entered into an amendment (the “Amendment”) to the EverBank Credit Facility, which increases the revolver commitments by the amount of \$25 million (from \$95 million to \$120 million).

The foregoing description of the Amendment does not purport to be complete and is qualified in its entirety by reference to the Amendment, filed as Exhibit 10.1 to this report, and incorporated herein by reference.

Third Quarter 2017 Conditional Income Incentive Fee Waiver Agreement

On October 19, 2017, the Company, HMS Adviser LP and MSC Adviser I, LLC (together, the “Advisers”) entered into a conditional income incentive fee waiver agreement (the “Third Quarter 2017 Conditional Income Fee Waiver Agreement”), pursuant to which, for a period from July 1, 2017 through September 30, 2017, the Advisers would waive the “subordinated incentive fee on income,” as such term is defined in the Investment Advisory and Administrative Services Agreement dated May 31, 2012, upon the occurrence of any event that, in the Advisers’ sole discretion, causes such waiver to be deemed necessary. The Third Quarter 2017 Conditional Income Fee Waiver Agreement may require the Company to repay the Advisers for previously waived reimbursement of payments by HMS Adviser LP of the Company’s operating expenses (“Expense Support Payments”) or waived base management fees or incentive fees under certain circumstances. The previously waived fees are potentially subject to repayment by the Company, if at all, within a period not to exceed three years from the date of each respective fee waiver. Thus, in any quarter where a surplus exists, that surplus will be available, subject to approval of the board of directors, to reimburse waived fees and Expense Support Payments as follows:

1. First, to reimburse Expense Support Payments, beginning with the earliest year eligible for reimbursement; and
2. Second, to reimburse all waived fees, beginning with the earliest year eligible for reimbursement.

The foregoing description of the Third Quarter 2017 Conditional Income Fee Waiver Agreement does not purport to be complete and is qualified in its entirety by reference to the Third Quarter 2017 Conditional Income Fee Waiver Agreement, filed as Exhibit 10.2 to this report, 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 with respect to the EverBank Credit Facility set forth in Item 1.01 is incorporated herein by reference to this Item 2.03.

Item 3.03 Material Modification of Rights of Security Holders.

Amendment to distribution reinvestment plan

On October 19, 2017, the board of directors (the “Board”) of the Company approved an amendment and restatement of the Company’s distribution reinvestment plan (the “DRP” and, as amended and restated, the “Amended DRP”). The Amended DRP will be effective as of, and will first apply to the reinvestment of cash distributions paid on or after, November 1, 2017. Under the DRP, in the event that a continuous offering of the Company’s common stock is suspended or terminated, cash distributions paid to participating stockholders are reinvested in additional shares of common stock of the Company (“Shares”) at a price equal to the net asset value (“NAV”) per Share .

Under the Amended DRP, for so long as the Company’s continuous offering of the common stock is suspended to new investors or otherwise is terminated, cash distributions paid to participating stockholders will be reinvested in additional Shares at a purchase price determined by the Board, or a committee thereof, in its sole discretion, that is (i) not less than the NAV per Share determined

in good faith by the Board or a committee thereof, in its sole discretion, within forty-eight hours prior to the payment of the distribution (the “NAV Per Share”) and (ii) not more than 2.5% greater than the NAV Per Share as of such date.

The foregoing description of the Amended DRP does not purport to be complete and is qualified in its entirety by reference to the Amended DRP, filed as Exhibit 4.1 to this report, and incorporated herein by reference.

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 the Company's Annual Report on Form 10-K for the year ended December 31, 2016 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 the Company 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
4.1	Amended and Restated Distribution Reinvestment Plan, effective as of November 1, 2017.
10.1	First Amendment to Amended and Restated Senior Secured Revolving Credit Agreement, dated as of October 19, 2017, by and among the Registrant, HMS Equity Holding, LLC, HMS Equity Holding II, Inc., the financial institutions party thereto and EverBank Commercial Finance, Inc.
10.2	Third Quarter 2017 Conditional Income Incentive Fee Waiver Agreement, dated as of October 19, 2017, by and among the Registrant, HMS Adviser LP and MSC Adviser I, LLC (Filed herewith).

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.

October 19, 2017

By: /s/ David M. Covington

Name: David M. Covington

Title: Chief Accounting Officer and Treasurer

HMS INCOME FUND, INC.
AMENDED AND RESTATED DISTRIBUTION REINVESTMENT PLAN

Effective as of November 1, 2017

HMS Income Fund, Inc., a Maryland corporation (the “*Company*”), has adopted the following Distribution Reinvestment Plan (the “*DRP*”). Capitalized terms shall have the same meaning as set forth in the Company’s Articles of Amendment and Restatement (the “*Articles*”) unless otherwise defined herein.

1. *Distribution Reinvestment.* As an agent for the holders (“*Stockholders*”) of the Company’s common stock, par value \$0.001 per share (the “*Common Stock*”), who elect to participate in the *DRP* (the “*Participants*”), the Company will apply all cash distributions, other than Designated Special Distributions (as defined below), including distributions paid with respect to any full or fractional shares of Common Stock acquired under the *DRP* (collectively, “*Distributions*”), to the purchase of the shares of Common Stock for such Participants directly, if permitted under state securities laws and, if not, through the dealer manager or soliciting dealers registered in the Participant’s state of residence. As used herein, the term “*Designated Special Distributions*” shall mean those cash or other distributions designated as Designated Special Distributions by the board of directors (the “*Board*”) of the Company.

2. *Authorization.* Subject to the Board’s discretion and applicable legal restrictions, the Company intends to authorize and declare Distributions quarterly and pay Distributions monthly, or on such other date or dates as may be fixed from time to time by the Board to Stockholders of record at the close of business on the record date for the Distribution involved. If, at the time of the Distribution, the Company is issuing Common Stock to new investors in connection with a continuous offering pursuant to a registration statement on Form N-2, the number of shares of Common Stock to be issued to a Stockholder shall be determined by dividing the total dollar amount of the Distribution payable to such Stockholder by the price that the shares of Common Stock are sold in the offering on such closing date, minus the sales load. At all other times, the number of shares of Common Stock to be issued to a Stockholder shall be determined by dividing the total dollar amount of the Distribution payable to such Stockholder by a price per share of Common Stock, determined by the Board or a committee thereof, in its sole discretion, that is (i) not less than the net asset value per share of Common Stock determined in good faith by the Board of Directors or a committee thereof, in its sole discretion, within forty-eight hours prior to the payment of the Distribution (the “*NAV Per Share*”) and (ii) not more than 2.5% greater than the NAV Per Share as of such date.

3. *Procedure for Participation.* Any Stockholder may elect to become a Participant, solely with respect to those shares purchased in connection with an offering of Common Stock of the Company, by completing and executing a subscription agreement, an enrollment form or any other appropriate authorization form as may be available from the Company from time to time. If the Company receives a Stockholder’s properly completed subscription agreement or other appropriate authorization form within 10 days prior to the next Distribution date, the Stockholder’s participation in the *DRP* will begin with the next Distribution payable after receipt of a Participant’s subscription, enrollment or authorization. Otherwise, the Company reserves the right to commence the Stockholder’s participation in the *DRP* beginning with the following Distribution payable. Shares of Common Stock will be purchased under the *DRP* on the date that Distributions are paid by the Company.

Participation in the DRP shall continue until such participation is terminated in writing by the Participant pursuant to Section 8 below. If the DRP transaction involves shares of Common Stock that are registered with the Securities and Exchange Commission (the “*Commission*”) in a future registration or there is a change to the purchase price to be paid for shares of Common Stock issued pursuant to the DRP, the Company shall make available to all Participants the prospectus as contained in the Company’s registration statement filed with the Commission with respect to such future registration or provide public notification to all Participants of such change in the purchase price of the shares of Common Stock issued pursuant to the DRP, as applicable. If, after a price change, a Participant does not desire to continue to participate in the DRP, such Participant should exercise its right to terminate its participation pursuant to the provisions of Section 8 below.

4. *Purchase of Shares of Common Stock.* Participants in the DRP may purchase fractional shares of Common Stock so that 100% of the Distributions will be used to acquire shares of Common Stock. However, a Participant will not be able to acquire shares of Common Stock pursuant to the DRP to the extent that any such purchase would cause such Participant to violate any provision in the Articles.

5. *Stock Certificates.* The ownership of the shares of Common Stock purchased through the DRP will be in book-entry form only.

6. *Reports.* Within 90 days after the end of the Company’s fiscal year, the Company shall provide each Stockholder or the Stockholder’s representative with an individualized report on the Stockholder’s investment, including the purchase date(s), purchase price and number of shares of Common Stock owned, as well as the dates of Distributions and amounts of Distributions paid during the prior fiscal year. In addition, the Company shall provide to each Participant or the Participant’s representative a confirmation at least once every calendar quarter showing the number of shares of Common Stock owned by such Participant at the beginning of the covered period, the amount of the Distributions paid in the covered period and the number of shares of Common Stock owned at the end of the covered period.

7. *Commissions.* The Company will not pay any selling commissions or dealer manager fees in connection with shares of Common Stock sold pursuant to the DRP.

8. *Termination by Participant.* A Participant may terminate participation in the DRP at any time without penalty upon 10 days’ written notice to the Company of such termination. If the Company receives a Stockholder’s properly executed termination within 10 days prior to the next Distribution date, the Stockholder’s participation in the DRP will be discontinued. Otherwise, the Company reserves the right to discontinue the Stockholder’s participation in the DRP beginning with the following Distribution payable. Participants may send their written notice to HMS Income Fund, Inc. at P.O. Box 219010, Kansas City, MO 64121-9010 (or 430 W. 7th St., Kansas City, MO 64105 for overnight delivery). Prior to listing of the shares of Common Stock on a national securities exchange, any transfer of shares of Common Stock by a Participant to a non-Participant will terminate participation in the DRP with respect to the transferred shares of Common Stock. Upon termination of DRP participation, future Distributions, if any, will be distributed to the Stockholder in cash.

9. *Taxation of Distributions.* The reinvestment of Distributions in the DRP does not relieve Participants of any taxes which may be payable as a result of those Distributions and their reinvestment in shares of Common Stock pursuant to the terms of the DRP.

10. *Amendment or Termination of DRP by the Company.* The Board may by majority vote amend, suspend or terminate the DRP for any reason upon 10 days' notice to the Participants; provided, however, the Board may not amend the DRP to eliminate the right of a Participant to terminate participation in the DRP at least annually.

11. *Voting Rights.* Shares of Common Stock issued pursuant to the DRP will have the same voting rights as the shares of Common Stock issued pursuant to an offering of the Company. Each Participant will receive any Company-related proxy solicitation materials and each Company report or other communication to Stockholders, and will vote any shares of Common Stock held by it under the DRP in accordance with the instructions set forth on proxies returned by Participants to the Company.

12. *Service Fee.* Any service fee or expenses incurred by the Company in connection with the administration of the DRP will be paid for by the Company.

13. *Liability of the Company.* The Company shall not be liable for any act done in good faith, or for any good faith omission to act, including, without limitation, any claims or liability: (a) arising out of failure to terminate a Participant's account upon such Participant's death prior to receipt of notice in writing of such death; and (b) with respect to the time and the prices at which shares of Common Stock are purchased or sold for Participant's account.

14. *Governing Law.* These terms and conditions shall be governed by the laws of the State of Texas.

FIRST AMENDMENT TO CREDIT AGREEMENT

This First Amendment to Credit Agreement (this “***Amendment***”) is made and entered into effective as of October 19, 2017, by and among HMS INCOME FUND, INC., a Maryland corporation (“***Borrower***”), EVERBANK COMMERCIAL FINANCE, INC., as Administrative Agent (“***Administrative Agent***”), the Lenders party hereto, HMS EQUITY HOLDING, LLC, a Delaware limited liability company (“***Holding***”) and HMS EQUITY HOLDING II, INC. (“***Holding II***”; and together with Holding, collectively, “***Guarantors***” and each, a “***Guarantor***”).

RECITALS

WHEREAS, Borrower, Capital One, National Association, as original Administrative Agent (the “Original Agent”) and the Lenders party thereto 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 Holding for the benefit of Administrative Agent on behalf of the Lenders, and that certain Assignment, Assumption, Joinder and Amendment Agreement dated as of March 6, 2017 (the “***Assignment and Assumption Agreement***”), as amended by that certain First Amendment to Loan Documents dated as of May 30, 2014 (the “***2014 First Amendment***”), that certain Second Amendment to Credit Agreement dated as of September 22, 2014, that certain Third Amendment to Credit Agreement dated as of May 13, 2015, and that certain Fourth Amendment to Credit Agreement dated as of May 29, 2015, and as amended and restated by that certain Amended and Restated Senior Secured Revolving Credit Agreement dated as of March 6, 2017, 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 2014 First Amendment, as amended and supplemented by the Assignment and Assumption Agreement, 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 2014 First Amendment, as amended and supplemented by the Assignment and Assumption Agreement, and as further amended, modified, restated, supplemented, renewed or extended from time to time, the “***Pledge Agreement***”); and

WHEREAS, Borrower has requested that the 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, each Guarantor, the Lenders party hereto 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.

(a) Commitment Increase and Notice. By its execution hereof, Borrower hereby requests (i) an increase in the aggregate Revolver Commitments by the amount of \$25,000,000 (from \$95,000,000 to \$120,000,000) (the “**Revolver Increase**”), to be effectuated by a \$10,000,000 increase in the Revolver Commitment of EverBank Commercial Finance, Inc., a \$10,000,000 increase in the Revolver Commitment of Customers Bank and a \$5,000,000 increase in the Revolver Commitment of Trustmark National Bank (each, an “**Increasing Lender**”) and (ii) 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 \$25,000,000, (ii) the new allocations of the Revolver Commitment as set forth on Schedule B to this Amendment, which Schedule B replaces the Schedule B to the Credit Agreement as of the date of this Amendment and (iii) the establishment of the date hereof as the Commitment Increase Date.

4. Acknowledgments of Administrative Agent and 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 increase in the aggregate Revolver Commitments by the Increasing Lenders as shown on Schedule B;

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

(c) each Lender waives any rights of such 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 Lenders constituting at least the Required Lenders (determined prior to, and without giving effect to, the increase in the Revolver Commitments effectuated pursuant to this Amendment), 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 each Increasing Lender, (i) an executed Note in the amount of the Lender's Revolver Commitment following the effectiveness of this Amendment and (ii) an Upsize Fee in the aggregate amount of \$95,145.98, calculated, and for the benefit of the related Lenders, as provided in Schedule C to this Amendment;

(d) the Administrative Agent shall have received resolutions of the board of directors (or other governing body) of Borrower and each Guarantor certified by the Secretary (or other custodian of records) of Borrower and each such Guarantor which authorize the execution, delivery, and performance by Borrower and each such Guarantor 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, Warranties and Agreements. Each of the Borrower and each Guarantor represents, warrants and agrees 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; 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 which would have the effect of applying the laws of any other jurisdiction.

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/ David M. Covington

Name: David M. Covington

Title: Chief Accounting Officer and Treasurer

GUARANTORS:

HMS EQUITY HOLDING, LLC,
a Delaware limited liability company

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

By: /s/David M. Covington
Name: David M. Covington
Title: Chief Accounting Officer and Treasurer

HMS EQUITY HOLDING II, INC.,
a Delaware corporation

By: /s/David M. Covington
Name: David M. Covington
Title: Chief Accounting Officer and Treasurer

ADMINISTRATIVE AGENT AND LENDER:

EVERBANK COMMERCIAL FINANCE, INC.

By: /s/Martin O'Brien

Name: Martin O'Brien

Title: Associate Director

LENDER:

GREEN BANK

By: /s/Ling Huang

Name: Ling Huang

Title: Senior Vice President

LENDER:

CUSTOMERS BANK

By: /s/ Lyle P. Cunningham

Name: Lyle P. Cunningham

Title: Senior Vice President

LENDER:

TRUSTMARK NATIONAL BANK

By: /s/Jeff Deutsch

Name: Jeff Deutsch

Title: Senior Vice President

LENDER:

WHITNEY BANK

By: /s/Nate Ellis

Name: Nate Ellis

Title: Vice President

SCHEDULE B
REVOLVER COMMITMENT

<u>Lender</u>	<u>Revolver Commitment</u>
EverBank Commercial Finance, Inc.	\$50,000,000
Green Bank	\$20,000,000
Customers Bank	\$25,000,000
Trustmark National Bank	\$15,000,000
Whitney Bank	\$10,000,000
TOTAL	\$120,000,000

[Schedule B]

SCHEDULE C**UPSIZE FEE**

Lender	Current Commitment	Upsize	Total Commitment	Upsize Fee %	Remaining Revolving Period At Upsize	Upsize Fee
EverBank	\$40,000,000	\$10,000,000	\$50,000,000	0.50%	79.2883%	\$39,644.16
Customers Bank	\$15,000,000	\$10,000,000	\$25,000,000	0.50%	79.2883%	\$39,644.16
Trustmark	\$10,000,000	\$5,000,000	\$15,000,000	0.40%	79.2883%	\$15,857.66
Total		\$25,000,000				\$95,145.98

[Schedule C]

**THIRD QUARTER 2017
CONDITIONAL INCOME INCENTIVE FEE WAIVER AGREEMENT**

This Third Quarter 2017 Conditional Income Incentive Fee Waiver Agreement (the “Agreement”), dated as of October 19, 2017, is made by and among HMS Income Fund, Inc. (the “Company”), HMS Adviser LP (“HMS Adviser”) and MSC Adviser I, LLC (the “Sub-Adviser,” together with HMS Adviser, the “Advisers,” and, collectively with the Company, the “Parties”).

WHEREAS, the Company maintains on file with the U.S. Securities and Exchange Commission an effective registration statement on Form N-2, as amended (File No. 333-204659) (the “Registration Statement”), covering the continuous offering and sale of the Company’s common stock, par value \$0.001 per share, pursuant to the Securities Act of 1933, as amended;

WHEREAS, the Company and HMS Adviser have entered into an Investment Advisory and Administrative Services Agreement dated as of May 31, 2012 (as amended, the “Advisory Agreement”), and the Company, HMS Adviser, Main Street Capital Partners, LLC and Main Street Capital Corporation (together with Main Street Capital Partners, LLC, “Main Street”) have entered into an Investment Sub-Advisory Agreement dated as of May 31, 2012 (as amended, the “Sub-Advisory Agreement,” and, together with the Advisory Agreement, the “Advisory Agreements”);

WHEREAS, pursuant to an Assignment and Assumption Agreement dated as of December 31, 2013, the Sub-Adviser assumed the obligations and liabilities of Main Street under the Sub-Advisory Agreement; and

WHEREAS, the Parties have determined that it is appropriate and in the best interests of the Company for the Advisers to conditionally waive certain fees under the Advisory Agreements.

NOW, THEREFORE, in consideration of the premises and the mutual agreements herein contained, and for other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged), the Parties hereto agree as follows:

1. Waived Fees.

- (a) During the period beginning on July 1, 2017 and continuing through and including September 30, 2017 (the “Fee Waiver Period”), HMS Adviser hereby waives the portion of the Incentive Fee referred to as the “subordinated incentive fee on income” (as such terms are defined and/or described in the Advisory Agreement), due and payable under the Advisory Agreement by the Company to HMS Adviser in the sole discretion of HMS Adviser taking into account the potential occurrence of any event including, but not automatically triggered by, the Company’s estimate that a distribution declared and payable to the Company’s stockholders during the Fee Waiver Period represents, or would represent when paid, a return of capital for purposes of U.S. federal income tax. The amounts waived pursuant to the preceding sentence shall be referred to herein as the “Waived Fees.” HMS Adviser shall promptly notify the Company and the Sub-Adviser of the amount of any Waived Fees and the Company shall deduct the Waived Fees from the amount, if any, otherwise due and payable by the Company to HMS Adviser pursuant to the terms of the Advisory Agreement for the applicable calendar quarter. If the Incentive Fee owed by the Company to HMS Adviser pursuant to the Advisory

Agreement exceeds the Waived Fees, the Company shall pay any such excess amount to HMS Adviser in accordance with the terms of the Advisory Agreement.

- (b) During the Fee Waiver Period, the Sub-Adviser agrees to waive a portion of the fees due and payable under the Sub-Advisory Agreement by HMS Adviser to the Sub-Adviser in the sole discretion of the Sub-Adviser, in an amount proportionate to the Waived Fees for the applicable calendar quarter (the “Sub-Advisory Waived Fees”). After HMS Adviser notifies the Sub-Adviser of the amount of Waived Fees under Section 1(a), the Sub-Adviser shall promptly notify HMS Adviser of the amount of any Sub-Advisory Waived Fees and HMS Adviser shall deduct the Sub-Advisory Waived Fees from the amount, if any, otherwise due and payable by HMS Adviser to the Sub-Adviser pursuant to the terms of the Sub-Advisory Agreement for the applicable calendar quarter. If the fees owed by HMS Adviser to the Sub-Adviser pursuant to the Sub-Advisory Agreement exceed the Sub-Advisory Waived Fees, HMS Adviser shall pay any such excess amount to the Sub-Adviser in accordance with the terms of the Sub-Advisory Agreement.

2. Conditional Reimbursement of Waived Fees.

(a) Definitions.

- i. “Net Increase in Net Assets” shall mean the sum of (i) the Company’s tax basis net investment income, (ii) taxable net capital gains/losses (whether short-term or long-term) and (iii) dividends and other distributions paid to the Company on account of investments in portfolio companies (to the extent such amounts are not included in clauses (i) and (ii) above). For the avoidance of doubt, operating expenses deducted in calculating tax basis net investment income does not include Organization and Offering Expenses as defined in the Advisory Agreement or any accrued Incentive Fee related to net unrealized appreciation.
- ii. “Operating Expense Ratio” is calculated on a quarterly basis as a percentage of the Company’s average net assets and includes all expenses borne by the Company, except for Waived Fees, expenses accrued under the Expense Support and Conditional Reimbursement Agreements (as described below) and Organization and Offering Expenses.

- (b) Subject to the limitations described in this Section 2 and subject to the approval of the Company’s board of directors, the Company hereby agrees to reimburse HMS Adviser for any Waived Fees following any calendar quarter in which the Company’s Net Increase in Net Assets exceeds the amount of the Company’s cumulative distributions paid to the Company’s stockholders in such calendar quarter (the “Excess Net Increase in Net Assets”) in an amount equal to the lesser of (i) the Excess Net Increase in Net Assets in such calendar quarter and (ii) the aggregate amount of all Waived Fees made within three (3) years prior to the last day of such calendar quarter that have not been previously reimbursed by the Company (the “Reimbursement Payment”). Notwithstanding anything herein to the contrary, the Company shall only reimburse Waived Fees if (i) the Company’s Operating Expense Ratio at the time of reimbursement is equal to or less than its Operating Expense

Ratio at the time that such fees were waived and (ii) the annualized rate of the Company's regular cash distributions to its stockholders is equal to or greater than the annualized rate of regular cash distributions to stockholders at the time that such fees were waived.

- (c) Upon receipt of a Reimbursement Payment in a calendar quarter, HMS Adviser hereby agrees to reimburse the Sub-Adviser for any Sub-Advisory Waived Fees in an amount proportionate to the Reimbursement Payment HMS Adviser received in such quarter (the "Sub-Advisory Reimbursement Payment").
 - (d) If payable, the Reimbursement Payment for any calendar quarter shall be paid by the Company no later than forty-five (45) days after the end of such calendar quarter, and the Sub-Advisory Reimbursement Payment shall be paid by HMS Adviser no later than three (3) days after receipt of a Reimbursement Payment for the applicable calendar quarter. The reimbursement of all such Waived Fees and Sub-Advisory Waived Fees is to be made within a period not to exceed three (3) years from the date that each respective waiver of such Waived Fees or Sub-Advisory Waived Fees is made.
 - (e) Subject to Section 2(d), any Reimbursement Payments shall be made by the Company according to the following priority: (i) reimbursement of all payments made to the Company by HMS Adviser under the Expense Support and Conditional Reimbursement Agreement, as amended from time to time, dated as of November 11, 2013, then (ii) reimbursement of all payments made to the Company by HMS Adviser under the Expense Support and Conditional Reimbursement Agreement, as amended from time to time, dated as of December 30, 2013, then (iii) reimbursement of all Base Management Fees and Incentive Fees (as such terms are defined in the Advisory Agreement), including the Waived Fees, earned pursuant to the Advisory Agreement but waived by the Advisers, which shall be reimbursed in the order that such fees were waived beginning with the earliest fees eligible for reimbursement. For the avoidance of doubt, the priority described in this Section 2(e) supersedes any reimbursement priority described in any other agreement, or amendment thereof, entered into by and between the Company and HMS Adviser and, if applicable, the Sub-Adviser.
3. **Term and Termination of Agreement.** This Agreement is effective as of July 1, 2017 and shall remain in effect during the Fee Waiver Period unless otherwise terminated pursuant to this Section 3. This Agreement may be terminated by the Advisers upon written notice to the Company. This Agreement shall automatically terminate in the event of (i) the termination by the Company of either of the Advisory Agreements or (ii) the dissolution or liquidation of the Company. Notwithstanding any provision to the contrary, if this Agreement terminates automatically pursuant to clause (i), the Company agrees to reimburse the Advisers for all Waived Fees not previously reimbursed in accordance with Section 2. Such reimbursement shall be made to HMS Adviser (and by HMS Adviser to the Sub-Adviser) not later than thirty (30) days after the termination of this Agreement.

4. **Miscellaneous.**

- (a) **Headings.** The captions of this Agreement are included for convenience only and in no way define or limit any of the provisions hereof or otherwise affect their construction or effect.
- (b) **Interpretation.** This Agreement shall be governed by and construed in accordance with the laws of the State of Texas (without reference to its conflicts of laws provisions) and the applicable provisions of the Investment Company Act of 1940, as amended (the “1940 Act”), and the Investment Advisers Act of 1940, as amended (the “Advisers Act”). To the extent that the applicable laws of the State of Texas or any of the provisions herein, conflict with the applicable provisions of the 1940 Act or the Advisers Act, the latter shall control. Further, nothing herein contained shall be deemed to require the Company to take any action contrary to the Company’s Articles of Amendment and Restatement or the Amended and Restated Bylaws, as each may be from time to time amended or restated, or to relieve or deprive the Company’s board of directors of its responsibility for and control of the conduct of the affairs of the Company.
- (c) **Severability.** If any provision of this Agreement shall be held or made invalid by a court decision, statute, rule or otherwise, the remainder of this Agreement shall not be affected thereby and, to this extent, the provisions of this Agreement shall be deemed to be severable.
- (d) **Entire Agreement.** This Agreement embodies the entire agreement and understanding of the Parties hereto, and supersedes all prior agreements or understandings (whether written or oral), with respect to the subject matter hereof.
- (e) **Amendments and Counterparts.** This Agreement may only be amended by mutual written consent of the Parties. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, and all such counterparts shall, together, constitute only one instrument.

[Signature Page to Follow]

IN WITNESS WHEREOF, the Parties have caused this Third Quarter 2017 Conditional Income Incentive Fee Waiver Agreement to be signed by their respective officers thereunto duly authorized, as of the day and year first above written.

COMPANY:

HMS INCOME FUND, INC.

By: /s/ David M. Covington
Name: David M. Covington
Title: Chief Accounting Officer and Treasurer

HMS ADVISER:

HMS ADVISER LP

By: HMS ADVISER GP, LLC, its general partner

By: /s/ David M. Covington
Name: David M. Covington
Title: Chief Accounting Officer and Treasurer

SUB-ADVISER:

MSC Adviser I, LLC

By: /s/ Jason B. Beauvais
Name: Jason B. Beauvais
Title: Senior Vice President