As filed with the Securities and Exchange Commission on December 30, 2019

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE TO

Tender Offer Statement under Section 14(d)(1) or 13(e)(1)
of the Securities Exchange Act of 1934

HMS INCOME FUND, INC.
(Name of Subject Company (Issuer))

HMS INCOME FUND, INC.
(Names of filing Persons (Offeror and Issuer))

Common Stock, Par Value $0.001 per share
(Title of Class of Securities)

40427D102
(CUSIP Number of Class of Securities)

Sherri W. Schugart
Chief Executive Officer
HMS Income Fund, Inc.
2800 Post Oak Boulevard, Suite 5000
Houston, Texas 77056-6118
Telephone: (888) 220-6121
(Name, address and telephone number of person authorized to receive notices and communications on behalf of filing person)

Copies to:
Thomas J. Friedmann
Matthew J. Carter
Dechert LLP
One International Place, 40th Floor
100 Oliver Street
Boston, MA 02110
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Alston & Bird LLP
1201 West Peachtree Street
Atlanta, Georgia 30309
(404) 881-7000

CALCULATION OF FILING FEE

TRANSACTION VALUATION(a)	AMOUNT OF FILING FEE(b)
$6,082,442.06	$789.50

(a) The transaction valuation is estimated solely for purposes of calculating the filing fee. This amount represents the maximum aggregate value of repurchases permitted for this period in accordance with the Company's share repurchase program.
(b) The Filing Fee is calculated in accordance with Rule 0-11(b) of the Securities Exchange Act of 1934, as amended, and equals $129.80 for each $1,000,000 of the value of the transaction.

☐ Check the box if any part of the fee is offset as provided by Rule 0-11(a)(2) and identify the filing with which the offsetting fee was previously paid. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

Amount Previously Paid: Not Applicable
Form or Registration No.: Not Applicable
Filing Party: Not Applicable
Date Filed: Not Applicable

☐ Check the box if the filing relates solely to preliminary communications made before the commencement of a tender offer.

Check the appropriate boxes below to designate any transactions to which the statement relates:

- ☐ third-party tender offer subject to Rule 14d-1.
- ☒ issuer tender offer subject to Rule 13e-4.
- ☐ going-private transaction subject to Rule 13e-3.
- ☐ amendment to Schedule 13D under Rule 13d-2.

Check the following box if the filing is a final amendment reporting the results of the tender offer: ☐

SCHEDULE TO

This Tender Offer Statement on Schedule TO relates to the offer by HMS Income Fund, Inc. (the "Company"), an externally managed, non-diversified, closed-end management investment company incorporated in Maryland that has elected to be regulated as a business development company under the Investment Company Act of 1940, as amended, to purchase up to an estimated 773,847.59 shares of its issued and outstanding common stock, par value $0.001 per share, at the net asset value per share as of February 19, 2020 (the "Purchase Price"). The number of Shares available to be repurchased is dependent upon the Purchase Price. By way of example, if calculated as of the date of this filing using the Company's net asset value per share as of November 20, 2019 (which was the date of the Company's most recently published net asset value per share), the Purchase Price would be $7.86 per share and the number of Shares available for repurchase would be 773,847.59. The net asset value per share as of February 19, 2020 may be higher or lower than such amount.

The Company's offer pursuant to this Tender Offer Statement on Schedule TO is being made upon the terms and subject to the conditions set forth in the Offer to Purchase, dated December 30, 2019 (the "Offer to Purchase"), and in the related Letter of Transmittal, copies of which are attached to this Tender Offer Statement on Schedule TO as Exhibits 99(a)(1)(A) and 99(a)(1)(B), respectively. This Tender Offer Statement on Schedule TO is intended to satisfy the reporting requirements of Rule 13e-4(c)(2) under the Securities Exchange Act of 1934, as amended.

Items 1 through 11.

The information in the Offer to Purchase and the related Letter of Transmittal, copies of which are attached to this Schedule TO as Exhibits 99(a)(1)(A) and 99(a)(1)(B), respectively, is incorporated by reference in answer to Items 1 through 11 of this Tender Offer Statement on Schedule TO.

Item 12. Exhibits.

EXHIBIT NO.	DESCRIPTION
99(a)(1)(A)	Offer to Repurchase, dated December 30, 2019.
99(a)(1)(B)	Form of Letter of Transmittal.
99(a)(1)(C)	Form of Notice of Withdrawal.
99(a)(1)(D)	Stockholder Letter and Summary Advertisement, dated December 30, 2019.

Item 13. Information Required By Schedule 13E-3.

Not applicable.

SIGNATURE

After due inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

Dated: December 30, 2019

HMS INCOME FUND, INC.

By: /s/ Jeffrey S. Folkerts
Name: Jeffrey S. Folkerts
Title: Chief Accounting Officer and Treasurer



HMS Income Fund

OFFER TO PURCHASE UP TO AN ESTIMATED 773,847.59 SHARES OF COMMON STOCK FOR CASH AT A PURCHASE PRICE EQUAL TO THE NET ASSET VALUE PER SHARE ON FEBRUARY 19, 2020

THE OFFER WILL EXPIRE AND THE LETTER OF TRANSMITTAL MUST BE RECEIVED BY HMS INCOME FUND, INC. BY 5:00 P.M., CENTRAL TIME, ON FEBRUARY 7, 2020, UNLESS THE OFFER IS EXTENDED.

IF YOU DO NOT WISH TO TENDER YOUR SHARES, YOU NEED NOT TAKE ANY ACTION.

To the Stockholders of HMS Income Fund, Inc.:

HMS Income Fund, Inc. (the "***Company***," "***we***," or "***us***"), an externally managed, non-diversified, closed-end management investment company incorporated in Maryland that has elected to be regulated as a business development company under the Investment Company Act of 1940, as amended (the "***1940 Act***"), is offering to purchase up to an estimated 773,847.59 shares of the Company's issued and outstanding common stock, $0.001 par value per share (the "***Shares***"). The amount to be repurchased represents the lesser of (i) the number of Shares the Company can repurchase with the proceeds it received from the issuance of Shares under the Company's distribution reinvestment plan during the prior calendar quarter and (ii) 2.5% of the weighted average number of the Shares outstanding in the prior four calendar quarters. The purpose of the offer is to provide our stockholders ("***Stockholders***") with limited liquidity because there is otherwise no public market for the Shares. See Section 2 below. The offer is for cash at a purchase price equal to the net asset value per Share as of February 19, 2020 (the "***Purchase Price***") as determined by the pricing committee of the Company's Board of Directors (the "***Board***"), and is made upon the terms and subject to the conditions set forth in this Offer to Purchase and the related Letter of Transmittal (the "***Letter of Transmittal***") (which, together with any amendments or supplements thereto, collectively constitute the "***Offer***"). The Offer will expire at 5:00 p.m., Central Time, on February 7, 2020, unless extended by us (the "***Expiration Date***").

THE OFFER IS NOT CONDITIONED ON ANY MINIMUM NUMBER OF SHARES BEING TENDERED. THE OFFER IS, HOWEVER, SUBJECT TO OTHER CONDITIONS. SEE SECTION 3 BELOW.

IMPORTANT INFORMATION

Stockholders who desire to tender their Shares should either: (i) properly complete and sign the Letter of Transmittal, provide thereon the original of any required signature guarantee(s) and mail or deliver it and any other documents required by the Letter of Transmittal or (ii) request their broker, dealer, commercial bank, trust company or other nominee to effect the transaction on their behalf. Stockholders who desire to tender Shares registered in the name of a broker, dealer, commercial bank, trust company or other nominee must contact such institution to effect a tender on their behalf. Tendering Stockholders will not be obligated to pay brokerage commissions in connection with their tender of Shares, but they may be charged a fee by such a firm for processing the tender(s). The Company reserves the absolute right to reject tenders determined not to be in appropriate form.

IF YOU DO NOT WISH TO TENDER YOUR SHARES, YOU NEED NOT TAKE ANY ACTION.

NEITHER THE COMPANY, THE BOARD, HMS ADVISER LP ("*HMS ADVISER*"), MAIN STREET CAPITAL CORPORATION ("*MAIN STREET*"), MSC ADVISER I, LLC, A WHOLLY OWNED SUBSIDIARY OF MAIN STREET ("*MSC ADVISER I*" AND, TOGETHER WITH MAIN STREET AND HMS ADVISER, THE "*ADVISERS*") NOR HINES SECURITIES, INC., MAKES ANY RECOMMENDATION TO ANY STOCKHOLDER AS TO WHETHER TO TENDER OR REFRAIN FROM TENDERING SHARES. NO PERSON HAS BEEN AUTHORIZED TO MAKE ANY RECOMMENDATION ON BEHALF OF THE COMPANY, THE BOARD, THE ADVISERS OR HINES SECURITIES, INC. AS TO WHETHER STOCKHOLDERS SHOULD TENDER OR REFRAIN FROM TENDERING SHARES PURSUANT TO THE OFFER OR TO MAKE ANY REPRESENTATION OR TO GIVE ANY INFORMATION IN CONNECTION WITH THE OFFER OTHER THAN AS CONTAINED HEREIN OR IN THE ACCOMPANYING LETTER OF TRANSMITTAL. IF MADE OR GIVEN, ANY SUCH RECOMMENDATION, REPRESENTATION OR INFORMATION MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY THE COMPANY, THE BOARD, THE ADVISERS OR HINES SECURITIES, INC. STOCKHOLDERS ARE URGED TO EVALUATE CAREFULLY ALL INFORMATION IN THE OFFER, CONSULT THEIR OWN INVESTMENT AND TAX ADVISORS AND MAKE THEIR OWN DECISIONS WHETHER TO TENDER OR REFRAIN FROM TENDERING THEIR SHARES.

Neither the Securities and Exchange Commission (the "*SEC*") nor any state securities commission nor any other regulatory authority has approved or disapproved of these transactions or determined if the information contained herein is truthful or complete. Any representation to the contrary is a criminal offense.

The Offer does not constitute an offer to buy or the solicitation of an offer to sell securities in any circumstances or jurisdiction in which such offer or solicitation is unlawful. The delivery of the materials pertaining to the Offer shall not under any circumstances create any implication that the information contained therein is current as of any time subsequent to the date of such information.

The Date of this Offer to Purchase is December 30, 2019.

SUMMARY TERM SHEET

(Section references are to this Offer to Purchase)

This Summary Term Sheet highlights the material information concerning the Offer. For a more complete discussion of the terms and conditions of the Offer, you should carefully read the entire Offer to Purchase and the related Letter of Transmittal.

What is the Offer?

- We are offering to purchase up to an estimated 773,847.59 Shares. The amount offered to be repurchased represents the lesser of (i) the number of Shares we can repurchase with the proceeds we received from the issuance of Shares under our distribution reinvestment plan during the prior calendar quarter and (ii) 2.5% of the weighted average number of the Shares outstanding in the prior four calendar quarters. The Offer is for cash at the Purchase Price as determined by the pricing committee of the Board, upon the terms and subject to the conditions set forth in this Offer to Purchase and the related Letter of Transmittal. The number of Shares available to be repurchased is dependent on the Purchase Price.

Why is the Company making the Offer?

- The Offer is designed to provide limited liquidity to Stockholders because there is otherwise no public market for the Shares. Under our share repurchase program, we plan to conduct quarterly tender offers for the lesser of (i) the number of Shares we

can repurchase with the proceeds we receive from issuance of Shares under our distribution reinvestment plan during the prior calendar quarter and (ii) 2.5% per quarter of our weighted average number of outstanding Shares in the prior four calendar quarters.

When will the Offer expire, and may the Offer be extended?

- The Offer will expire on the Expiration Date. The Company may extend the period of time the Offer will be open by issuing a press release or making some other public announcement by no later than 9:00 a.m., Eastern Time, on the next business day after the Offer otherwise would have expired. See Section 14 below.

Are there conditions to the Offer?

- Yes. If the amount of repurchase requests exceeds the number of Shares we seek to repurchase, we will repurchase Shares on a pro-rata basis, subject to "odd lot" priority as described in Section 1 below, in accordance with the number of Shares duly tendered by or on behalf of each Stockholder (and not so withdrawn). See Section 3 below for a more complete description of the conditions to the Offer.

How do I tender my Shares?

- If your Shares are registered in your name, you should obtain the Offer, which consists of this Offer to Purchase, the related Letter of Transmittal and any amendments or supplements thereto, read the materials, and, if you should decide to tender, complete a Letter of Transmittal and submit any other documents required by the Letter of Transmittal. These materials must be received by the Company at the address listed in Section 4 of this Offer to Purchase, in proper form, before the Expiration Date (if the Offer is extended by the Company, the new deadline will be as stated in the public announcement of the extension). If your Shares are custodial held or broker controlled, approval signoff is required from such third party, and the Letter of Transmittal must be signed by the third party. See Section 4 below.

May I tender only a portion of the Shares that I hold?

- Yes. You do not have to tender all or any minimum amount of the Shares that you own to participate in the Offer. However, to qualify for the priority in case of a pro-rata reduction in Shares repurchased, an Odd Lot Holder, as defined in Section 1 below, must tender all Shares owned by any such Odd Lot Holder.

Is there any cost to me to tender?

- There is no cost charged by the Company in connection with the Offer. Your broker, dealer, commercial bank, trust company or other nominee may charge you fees according to its individual policies. See the Letter of Transmittal.

May I withdraw my Shares after I have tendered them and, if so, by when?

- Yes, you may withdraw your Shares at any time prior to the Expiration Date by submitting a Notice of Withdrawal to the Company at the address listed in Section 4 of this Offer to Purchase. In addition, you may withdraw your tendered Shares any time after February 27, 2020 (which is 40 business days after the commencement of the Offer) if they have not been accepted for payment by that date. See Section 5 below for more details.

How do I withdraw tendered Shares?

- A Notice of Withdrawal of tendered Shares must be timely received by the Company specifying the name of the Stockholder who tendered the Shares, the number of Shares being withdrawn and other information. See Section 5 below and the Form of Notice of Withdrawal which accompanies the Offer.

If I change my mind after tendering my Shares, it is past the Expiration Date, and I have received payment for my tendered Shares, may I rescind my tender?

- No.

May I place any conditions on my tender of Shares?

- No.

Who may sign on my behalf?

- Only the holder of record as registered on the account or an authorized power of attorney. If a power of attorney signs on behalf of the holder of record, the document evidencing the power must accompany the Letter of Transmittal and must be dated or recertified within one year.

Is there a limit on the number of Shares I may tender?

- You may tender all of the Shares you own as of the Expiration Date of the Offer. However, we are limiting the aggregate number of Shares to be repurchased from all Stockholders to the lesser of (i) the number of shares we can repurchase with the proceeds we received from the issuance of Shares under our distribution reinvestment plan during the prior calendar quarter and (ii) 2.5% of the weighted average number of the Shares outstanding in the prior four calendar quarters. The number of Shares available to be repurchased is dependent upon the Purchase Price. See Section 1 below.

What if more than the amount of Shares offered for repurchase are tendered (and not timely withdrawn)?

- The Company will purchase duly tendered Shares from tendering Stockholders pursuant to the terms and conditions of the Offer on a pro-rata basis, subject to "odd lot" priority, in accordance with the number of Shares duly tendered by or on behalf of each Stockholder (and not timely withdrawn). If you own, beneficially or of record, fewer than 100 Shares in the aggregate, you properly tender all of these Shares and do not properly withdraw all such Shares before the Expiration Date, and you complete the section entitles "Odd Lots" in the Letter of Transmittal, we will purchase all of your Shares without subjecting the purchase to pro-rata reduction, upon the terms and subject to the conditions of the Offer. See Section 1 below. Participation in the Company's distribution reinvestment plan will be automatically discontinued for any Shares properly tendered for repurchase (and not withdrawn) that are not repurchased as a result of a pro-rata reduction in Shares repurchased.

If I decide not to tender, how will the Offer affect the Shares I hold?

- If any Shares are tendered by Stockholders (and not timely withdrawn) and the Company does not issue any additional Shares, your percentage ownership interest in the Company will increase after completion of the Offer. See Section 10 below.

Does the Company have the financial resources to make payment for Shares accepted in the Offer?

- Yes. See Section 7 below.

If Shares I tender are accepted by the Company, when will payment be made?

- Payment for properly tendered Shares (not timely withdrawn) will be made as promptly as practicable following the Expiration Date. See Section 6 below.

Is my sale of Shares pursuant to the Offer a taxable transaction?

- We anticipate U.S. Stockholders, other than those who are tax-exempt, who sell Shares in the Offer will treat such sale either as a "sale or exchange" or as a "dividend" for U.S. federal income tax purposes. Unless instructed otherwise, most taxpayers who sell their Shares will receive an Internal Revenue Service (the "***IRS***") Form 1099-B, a copy of which will also be provided to the IRS. See Section 13 below for further details regarding the possibility of alternative tax treatment in connection with the sale of Shares pursuant to the Offer. Section 13 also discusses the tax treatment of Non-U.S. Stockholders. You are urged to consult your own tax advisor regarding the tax consequences to you of any sale of Shares pursuant to the Offer.

Is the Company required to complete the Offer and purchase all Shares tendered, assuming the total Shares tendered are less than the total Shares offered?

- Under most circumstances, yes. There are certain circumstances, however, in which the Company will not be required to purchase any Shares tendered, as described in Section 3 below.

Is there any reason Shares tendered would not be accepted?

- In addition to those circumstances described in Section 3 below under which the Company is not required to accept tendered Shares, the Company has reserved the right to reject any and all tenders determined by it not to be in appropriate form. If a

properly completed tender is not timely submitted prior to the Expiration Date, an investor must subsequently submit new tender documentation during the next offer period in order for his or her Shares to be repurchased during that period.

How will tendered Shares be accepted for payment?

- Properly tendered Shares will be accepted for payment by the Company promptly following the Expiration Date. See Section 6 below.

What action need I take if I decide not to tender my Shares?

- None.

Does management encourage Stockholders to participate in the Offer, and will they participate in the Offer?

- Neither the Company, nor the Board, nor any of the Advisers, nor Hines Securities, Inc. is making any recommendation to tender or not to tender Shares in the Offer. Based upon information provided or available to us, none of our directors, officers or affiliates intends to tender Shares pursuant to the Offer. The Offer does not, however, restrict the purchase of Shares pursuant to the Offer from any such person. See Section 9 below.

How do I obtain information?

- Questions and requests for assistance or requests for additional copies of this Offer to Purchase, the Letter of Transmittal and all other Offer documents should be directed to the Company as follows.

Our website:	www.hinessecurities.com/past-offerings/hms-income-fund/
Our toll-free phone number:	888.220.6121
Our fax number:	713.966.2661
Our mailing address:	HMS Income Fund, Inc. 430 W. 7th Street Kansas City, Missouri 64105

Stockholders may also contact their broker, dealer, commercial bank or trust company for assistance concerning the Offer.

1. Purchase Price; Number of Shares; Expiration Date.

We are offering to purchase up to an estimated 773,847.59 Shares. The number of Shares to be repurchased is dependent upon the Purchase Price. The amount to be repurchased represents the lesser of (i) the number of Shares we can repurchase with the proceeds we received from the issuance of Shares under our distribution reinvestment plan during the prior calendar quarter and (ii) 2.5% of the weighted average number of Shares outstanding for in the prior four calendar quarters. The purpose of the Offer is to provide Stockholders with limited liquidity because there is otherwise no public market for the Shares. See Section 2 below. The Offer is for cash at the Purchase Price as determined by the pricing committee of the Board, and is made upon the terms and subject to the conditions set forth in this Offer to Purchase and the related Letter of Transmittal. You will not receive interest on the Purchase Price under any circumstances, and you will not be entitled to any distributions on declared distribution record dates that occur on or after the date that Company has accepted your Shares for purchase.

If more than the number of Shares offered for repurchase are duly tendered pursuant to the Offer (and not timely withdrawn, as provided in Section 5 below), we will repurchase Shares on a pro-rata basis, subject to "odd lot" priority, in accordance with the number of Shares duly tendered by or on behalf of each Stockholder (and not so withdrawn). As a result, we may repurchase less than the full amount of Shares that you request to have repurchased. Participation in the Company's distribution reinvestment plan will be automatically discontinued for any Shares properly tendered for repurchase (and not withdrawn) that are not repurchased as a result of a pro-rata reduction in Shares repurchased.

Any Stockholder who owns, beneficially or of record, aggregate of fewer than 100 Shares (an "***odd lot***"), properly tenders all, but not less than all, of its odd lot Shares, completes the section entitled "Odd Lots" in the Letter of Transmittal, and does not properly withdraw any of the tendered Shares before the Expiration Date is referred to herein as an "***Odd Lot Holder.***" To the extent that the number of Shares duly tendered (and not withdrawn) exceed the number of Shares offered for repurchase, all of the Shares of

Odd Lot Holders will be accepted for payment before any pro-rata reduction of the repurchase of Shares properly tendered and not withdrawn by stockholders who are not Odd Lot Holders, provided that this priority to Odd Lot Holders is not available to partial tenders or to beneficial or record holders of 100 or more Shares in the aggregate, even if such holders have separate accounts or certificates representing fewer than 100 Shares. To qualify for this priority an Odd Lot Holder must tender all Shares owned by such Odd Lot Holder in accordance with the procedures described in Section 4 below.

As of December 27, 2019, there were 78,463,378 Shares issued and outstanding, and there were 14,416 holders of record of Shares. Certain of these holders of record were brokers, dealers, commercial banks and trust companies.

The Offer will remain open until the Expiration Date. If we extend the period of time during which the Offer remains open, the term "Expiration Date" will refer to the latest time and date at which the Offer expires. See Section 14 below for a description of our rights to extend, delay, terminate and/or amend the Offer.

We will publish a notice to all Stockholders by means of a public press release or some other public announcement, if we decide to extend, terminate, supplement or amend the terms of the Offer. If the Offer is scheduled to expire within ten (10) business days from the date we notify you of a significant amendment to the Offer, we also intend to extend the Offer, if necessary, to ensure that the Offer remains open for at least ten (10) business days after the date we publish notice of the amendment.

A "business day" means any day other than a Saturday, Sunday or federal holiday and consists of the time period from 12:01 a.m. through midnight, Eastern Time.

Under the Maryland General Corporation Law, a Maryland corporation may not make a distribution to Stockholders, including pursuant to our share repurchase program, if, after giving effect to the distribution, (i) the corporation would not be able to pay its indebtedness in the ordinary course or (ii) the corporation's total assets would be less than its total liabilities plus preferential amounts payable on dissolution with respect to preferred stock.

The Board also considered the following factors, among others, in making its determination regarding whether to cause us to offer to repurchase Shares and under what terms:

- the effect of such repurchases on our qualification as a regulated investment company ("***RIC***") under Subchapter M of the Internal Revenue Code of 1986, as amended (the "***Code***"), (including the consequences of any necessary asset sales);
- the liquidity of our assets (including fees and costs associated with disposing of assets);
- our investment plans and working capital requirements;
- the relative economies of scale with respect to our size;
- our history in repurchasing Shares or portions thereof; and
- the condition of the securities markets.

The Board has approved the Offer. The Board recognizes that the decision to accept or reject the Offer is an individual one that should be based on a variety of factors, and Stockholders should consult with their personal advisors if they have questions about their financial and/or tax situations. As a result, we are not expressing any opinion as to whether a Stockholder should accept or reject the Offer.

2. Purpose of the Offer; Plans or Proposals of the Company.

The purpose of the Offer is to provide limited liquidity to our Stockholders because there is otherwise no public market for the Shares. Under our share repurchase program, we plan to conduct quarterly tender offers up to the lesser of (i) the number of Shares we can repurchase with the proceeds we receive from the issuance of Shares under our distribution reinvestment plan during the prior calendar quarter and (ii) 2.5% of our weighted average number of outstanding Shares in the prior four calendar quarters. We will repurchase tendered Shares to allow our Stockholders to receive the Purchase Price as determined by the pricing committee of the Board. Our repurchase program recognizes that our Shares are not listed on a national securities exchange and have limited liquidity prior to the occurrence of a "liquidity event." A liquidity event could include (1) the sale of all or substantially all of our assets either on a complete portfolio basis or individually followed by a liquidation, (2) a listing of our Shares on a national securities exchange, or (3) a merger or another transaction approved by our Board in which our Stockholders will receive cash or shares of a publicly traded company. While our intention is to explore a potential liquidity event between four and six years following the closing of our continuous offering of common stock to new investors or any subsequent follow-on offerings, there can be no assurance that a suitable transaction will be available or that market conditions for a liquidity event will be favorable during that time frame. In making a determination of what type of liquidity event is in our best interest, our Board, including our independent directors, may consider a variety of criteria, including portfolio diversification, portfolio performance, our financial

condition, potential access to capital as a listed company, market conditions for the sale of our assets or listing of our securities, internal management considerations and the potential for Stockholder liquidity.

At the sole discretion of our Board, we may use cash on hand, cash available from borrowings and cash from liquidation of investments to repurchase Shares.

We do not have any present plans or proposals and are not engaged in any negotiations that relate to or would result in (i) any extraordinary transaction, such as a merger, reorganization or liquidation, involving the Company or any of its subsidiaries; (ii) other than in connection with transactions in the ordinary course of the Company's operations and for purposes of funding the Offer, any purchase, sale or transfer of a material amount of assets of the Company or any of its subsidiaries; (iii) any material change in the Company's present dividend rate or policy, or indebtedness or capitalization of the Company; (iv) any change in the present Board or management of the Company, including any plans or proposals to change the number or the term of directors or to fill any existing vacancies on the Board or to change any material term of the employment contract of any executive officer; (v) any other material change in the Company's corporate structure or business, including any plans or proposals to make any changes in the Company's investment policy for which a vote would be required by Section 13 of the 1940 Act; (vi) any class of equity securities of the Company becoming eligible for termination of registration pursuant to Section 12(g)(4) of the Securities Exchange Act of 1934, as amended (the "***Exchange Act***"); (vii) the suspension of the Company's obligation to file reports pursuant to Section 15(d) of the Exchange Act; (viii) other than in connection with transactions in the ordinary course of the Company's operations, the acquisition by any person of additional securities of the Company, or the disposition of securities of the Company; or (ix) any changes in the Company's charter, bylaws or other governing instruments or other actions that could impede the acquisition of control of the Company. Effective September 30, 2017, the Company closed its continuous offering of Shares to new investors.

3. Certain Conditions of the Offer.

Shares held of record as of the date of this Offer are eligible to be repurchased pursuant to the Offer. If the amount of repurchase requests exceeds the number of Shares we seek to repurchase, we will repurchase Shares on a pro-rata basis, subject to the exception for Odd Lot Holders who tender all of their Shares.

Notwithstanding any other provision of the Offer, we will not be required to purchase any Shares tendered pursuant to the Offer if such purchase will cause us to be in violation of the securities, commodities or other laws of the United States or any other relevant jurisdiction. Further, we will not be required to purchase any Shares tendered in the Offer if there is any (i) material legal action or proceeding instituted or threatened which challenges, in the Board's judgment, the Offer or otherwise materially adversely affects the Company, (ii) declaration of a banking moratorium by federal, state or foreign authorities or any suspension of payment by banks in the United States, New York State or in a foreign country which is material to the Company, (iii) limitation which affects the Company or the issuers of its portfolio securities imposed by federal, state or foreign authorities on the extension of credit by lending institutions or on the exchange of foreign currencies, (iv) commencement of war, armed hostilities or other international or national calamity directly or indirectly involving the United States or any foreign country that is material to the Company, or (v) other event or condition that, in the Board's judgment, would have a material adverse effect on the Company or its Stockholders if Shares tendered pursuant to the Offer were purchased.

The foregoing conditions are for our sole benefit and may be asserted by us regardless of the circumstances giving rise to any such condition, and any such condition may be waived by us, in whole or in part, at any time and from time to time in our reasonable judgment. Our failure at any time to exercise any of the foregoing rights shall not be deemed a waiver of any such right; the waiver of any such right with respect to particular facts and circumstances shall not be deemed a waiver with respect to any other facts or circumstances; and each such right shall be deemed an ongoing right which may be asserted at any time and from time to time; provided that any such waiver shall apply to all tenders of Shares. Any determination by us concerning the events described in this Section 3 shall be final and binding.

We reserve the right, at any time during the pendency of the Offer, to amend, extend or terminate the Offer in any respect. See Section 14 below.

4. Procedures for Tendering Shares.

Participation in the Offer is voluntary. If you elect not to participate in the Offer, your Shares will remain outstanding. To participate in the Offer, you must complete and deliver the accompanying Letter of Transmittal to us at:

HMS Income Fund, Inc.
430 W. 7th Street
Kansas City, Missouri 64105
Phone: 888.220.6121
Fax: 713.966.2662

The Letter of Transmittal must be received by us at the address above before the Expiration Date.

a. Proper Tender of Shares and Method of Delivery. For Shares to be properly tendered pursuant to the Offer, a properly completed and duly executed Letter of Transmittal bearing original signature(s) for all Shares to be tendered and any other documents required by the Letter of Transmittal must be physically received by us at the address listed above before the Expiration Date. These materials may be sent via mail, courier or personal delivery. If your Shares are custodial held or broker controlled, approval is required from the third party. The Letter of Transmittal must be signed by the third party. Odd Lot Holders must tender all of their Shares and complete the section entitled "Odd Lots" in the Letter of Transmittal to qualify for the priority treatment available to Odd Lot Holders set forth in Section 1.

THE METHOD OF DELIVERY OF THE LETTER OF TRANSMITTAL AND ANY OTHER REQUIRED DOCUMENTS IS AT THE OPTION AND SOLE RISK OF THE TENDERING STOCKHOLDER. IF DOCUMENTS ARE SENT BY MAIL, REGISTERED MAIL WITH RETURN RECEIPT REQUESTED, PROPERLY INSURED, IS RECOMMENDED.

Stockholders have the responsibility to cause their Shares to be tendered, the Letter of Transmittal properly completed and bearing original signature(s) and the original of any required signature guarantee(s), and any other documents required by the Letter of Transmittal, to be timely delivered. Timely delivery is a condition precedent to acceptance of Shares for purchase pursuant to the Offer and to payment of the purchase amount.

b. Determination of Validity. All questions as to the validity, form, eligibility (including time of receipt) and acceptance of tenders will be determined by us, in our sole discretion, which determination shall be final and binding. We reserve the absolute right to reject any or all tenders determined not to be in appropriate form or to refuse to accept for payment, purchase, or pay for, any Shares if accepting, purchasing or paying for such Shares would be unlawful. We also reserve the absolute right to waive any of the conditions of the Offer or any defect in any tender, whether generally or with respect to any particular Share(s) or Stockholder(s). Our interpretations, in consultation with our counsel, of the terms and conditions of the Offer shall be final and binding.

DST SYSTEMS, INC., AS TRANSFER AGENT FOR THE COMPANY, WILL NOT BE OBLIGATED TO GIVE ANY NOTICE OF ANY DEFECT OR IRREGULARITY IN ANY TENDER, AND WILL NOT INCUR ANY LIABILITY FOR FAILURE TO GIVE ANY SUCH NOTICE.

c. United States Federal Backup Withholding. To prevent the potential imposition of U.S. federal backup withholding tax on gross payments made pursuant to the Offer, prior to receiving such payments, each Stockholder accepting the Offer who has not previously submitted to the Company a correct, completed and signed IRS Form W-9 ("***Form W-9***") or substitute IRS Form W-9 (included with the original subscription) (for U.S. Stockholders) or IRS Form W-8BEN ("***Form W-8BEN***"), IRS Form W-8BEN-E ("***Form W-8BEN-E***"), IRS Form W-8IMY ("***Form W-8IMY***"), IRS Form W-8ECI ("***Form W-8ECI***"), IRS Form W-8EXP ("***Form W-8EXP***") or other applicable form (for Non-U.S. Stockholders), or otherwise established an exemption from such withholding, must submit the appropriate form to the Company. For this purpose, a "U.S. Stockholder" is, in general, a Stockholder that is (i) a citizen or resident of the United States, (ii) a corporation, partnership or other entity created or organized in or under the laws of the United States or any political subdivision thereof, (iii) an estate the income of which is subject to United States federal income taxation regardless of the source of such income or (iv) a trust if (A) a court within the United States is able to exercise primary supervision over the administration of the trust and (B) one or more U.S. persons have the authority to control all substantial decisions of the trust. A "Non-U.S. Stockholder" is any Stockholder other than a U.S. Stockholder.

5. Withdrawal Rights.

At any time prior to the Expiration Date, and, if the Shares have not by then been accepted for payment by us, at any time after February 27, 2020 (which is 40 business days after the commencement of the Offer), any Stockholder may withdraw any number

of the Shares that the Stockholder has tendered. To be effective, a written notice of withdrawal of Shares tendered must be timely received by us via mail, courier, facsimile or personal delivery at the address listed in Section 4 of this Offer to Purchase. Any notice of withdrawal must be substantially in the form that accompanies the Offer and specify the name(s) of the person having tendered the Shares to be withdrawn and the number of Shares to be withdrawn.

All questions as to the validity, form and eligibility (including time of receipt) of notices of withdrawal will be determined by us in our sole discretion, which determination shall be final and binding. Shares properly withdrawn will not thereafter be deemed to be tendered for purposes of the Offer. Withdrawn Shares, however, may be re-tendered by following the procedures described in Section 4 above prior to the Expiration Date.

6. Payment for Shares.

Our acceptance of your Shares will form a binding agreement between you and the Company on the terms and subject to the conditions of the Offer. We will have accepted for payment Shares validly submitted for purchase and not timely withdrawn, when we give oral or written notice to DST Systems, Inc., our transfer agent, of our acceptance for payment of such Shares pursuant to the Offer. The Purchase Price will be the net asset value per Share as of February 19, 2020 as determined by the pricing committee of the Board. You will not receive interest on the Purchase Price under any circumstances.

In all cases, payment for Shares purchased pursuant to the Offer will be made only after timely receipt by us of: (i) a Letter of Transmittal properly completed and (ii) any other documents required by the Letter of Transmittal. Stockholders may be charged a fee by their broker, dealer or other institution for processing the tender requested. We may not be obligated to purchase Shares pursuant to the Offer under certain conditions. See Section 3 above.

Any tendering Stockholder or other payee who has not previously submitted a correct, completed and signed Form W-9, Form W-8BEN, Form W-8BEN-E, Form W-8IMY, Form W-8ECI, Form W-8EXP or other appropriate form, as necessary, and who fails to complete fully and sign either the Substitute Form W-9 in the Letter of Transmittal or other appropriate form (e.g., Form W-8BEN, Form W-8IMY, Form W-8ECI or Form W-8EXP) and provide such properly completed form to us may be subject to federal backup withholding tax on the gross proceeds paid to such Stockholder or other payee pursuant to the Offer. The applicable rate for backup withholding is 24%. See Section 13 regarding this tax as well as possible withholding on the gross proceeds payable to tendering Non-U.S. Stockholders.

7. Source and Amount of Funds.

As an example, assuming we purchase 773,847.59 of our issued and outstanding Shares pursuant to the Offer, and assuming, as an example, a purchase price of $7.86 per Share, which was our net asset value per Share as of November 20, 2019, the total cost to us would be $6,082,442.06. As discussed in Section 1, we are limiting the aggregate number of Shares to be repurchased to the lesser of (i) the number of Shares we can repurchase with the proceeds we received from the issuance of Shares under our distribution reinvestment plan during the prior calendar quarter and (ii) 2.5% of the weighted average number of the Shares outstanding in the prior four calendar quarters. The actual number of Shares that will be repurchased and the Purchase Price at which such repurchases will occur and, therefore, our total cost of purchasing Shares pursuant to the Offer, is not determinable at this time. At the sole discretion of our Board, we may use cash on hand, cash available from borrowings and cash from liquidation of investments to repurchase Shares.

8. Financial Statements.

Financial statements have not been included herein because the consideration offered to Stockholders consists solely of cash; the Offer is not subject to any financing condition; and the Company is a public reporting company under Section 13(a) of the Exchange Act and files its reports electronically on the EDGAR system.

Reports and other information about the Company are available on the EDGAR Database on the SEC's Internet site (www.sec.gov), and copies of this information may be obtained, after paying a duplicating fee, by electronic request at the following E-mail address: publicinfo@sec.gov.

9. Interest of Directors, Executive Officers and Certain Related Persons; Transactions and Arrangements Concerning the Shares.

As of the date hereof, no Stockholder is a beneficial owner of more than 5% of our outstanding Shares, as determined in accordance with Rule 13d-3 under the Exchange Act. The following table sets forth information with respect to the beneficial ownership of our Shares as of December 27, 2019, by (1) HMS Investor LLC, (2) our directors, (3) our executive officers and (4) all of our

directors and executive officers as a group. Except as otherwise indicated, all Shares are owned directly, and the owner of such Shares has the sole voting and investment power with respect thereto.

	Shares Beneficially Owned as of December 27, 2019	
Name and Address [1]	**Number** [2]	**Percentage of Current Ownership** [3]
Other Interested Persons:		
HMS Investor LLC [4]	861,323.81	1.10%
Interested Directors:		
Nicholas T. Meserve	—	—
Sherri W. Schugart	23,882.50	*
Independent Directors:		
Peter Shaper	—	—
John O. Niemann, Jr.	34,590.93	*
Gregory R. Geib	—	—
Officers (that are not directors)		
Janice E. Walker	9,201.19	*
David M. Covington	3,614.82	*
Alejandro O. Palomo	8,677.30	*
Jeffrey S. Folkerts	—	—
Jason P. Maxwell	—	—
All officers and directors as a group (10 persons)	**79,966.73**	*

* Amount represents less than 1%

(1) Except for Mr. Meserve, the address of each beneficial owner is c/o HMS Income Fund, Inc., 2800 Post Oak Boulevard, Suite 5000, Houston, Texas 77056-6118. Mr. Meserve's address is c/o Main Street Capital Corporation, 1300 Post Oak Boulevard, Suite 800, Houston, Texas 77056.

(2) For purposes of this table, "beneficial ownership" is determined in accordance with Rule 13d-3 under Exchange Act pursuant to which a person is deemed to have "beneficial ownership" of Shares that the person has the right to acquire within 60 days. For purposes of computing the percentage of outstanding Shares held by each person or group of persons named in the table, any shares that such person or persons have the right to acquire within 60 days of December 27, 2019 are deemed to be outstanding, but are not deemed to be outstanding for the purpose of computing the percentage ownership of any other persons.

(3) Based on a total of 78,463,378 Shares issued and outstanding on December 27, 2019.

(4) HMS Investor LLC is a Delaware limited liability company. Hines Investment Holdings Limited Partnership is the 92% member of HMS Investor LLC and, as such, has voting and dispositive power over the 861,323.81 shares owned by HMS Investor LLC. JCH Investments, Inc. is the general partner of Hines Investment Holdings Limited Partnership and, as such, shares voting and dispositive power over the 861,323.81 shares held by HMS Investor LLC. As a result of his position at JCH Investments, Inc., Jeffrey C. Hines also shares voting and dispositive power over the 861,323.81 shares held by HMS Investor LLC.

Additionally, Main Street and an affiliate of the Company's sponsor (the "***Hines Investor***") entered into a letter agreement pursuant to which the Hines Investor has the right to sell to Main Street up to one-third of its equity interest in the Company at a price per share equal to the then-current price to the public in the offering (less the selling commissions and dealer manager fee of 10%) at the time of exercise of the right. The Hines Investor may exercise the right from time to time, in whole or in part, subject only to the condition that immediately following Main Street's purchase, Main Street's ownership would not exceed the limits on investment company ownership of other investment companies as set forth in the 1940 Act.

Except for transactions pursuant to the distribution reinvestment plan, based upon our records and upon information provided to us, there have not been any other transactions in Shares that were effected since the tender offer statement, filed with the SEC on September 30, 2019, as supplemented from time to time, by any of our directors or executive officers, any person controlling the Company, any director or executive officer of any corporation or other person ultimately in control of the Company, any associate or minority-owned subsidiary of the Company or any executive officer or director of any subsidiary of the Company. Except as set forth in the Offer, neither we nor, to the best of our knowledge, any of the above-mentioned persons, is a party to any contract, arrangement, understanding or relationship with any other person relating, directly or indirectly, to the Offer with respect to any of our securities (including any contract, arrangement, understanding or relationship concerning the transfer or the voting of any such securities, joint ventures, loan or option arrangements, puts or calls, guaranties of loans, guaranties against loss or the giving or withholding of proxies, consents or authorizations). Based upon information provided or available to us, none of our directors, officers or affiliates intends to tender Shares pursuant to the Offer. The Offer does not, however, restrict the purchase of Shares pursuant to the Offer from any such person.

10. Certain Effects of the Offer.

The purchase of Shares pursuant to the Offer will have the effect of increasing the proportionate interest in the Company of Stockholders who do not tender Shares. All Stockholders remaining after the Offer will be subject to any increased risks associated with the reduction in the number of outstanding Shares and the reduction in the Company's assets resulting from payment for the tendered Shares. See Section 7 above. All Shares purchased by the Company pursuant to the Offer will be retired and thereafter will be authorized and unissued Shares.

11. Certain Information about the Company.

We are an externally managed, non-diversified closed-end management investment company that has elected to be treated as a business development company under the 1940 Act. Formed as a Maryland corporation on November 28, 2011, we are externally managed by HMS Adviser. We have elected to be treated for U.S. federal income tax purposes as a RIC under Subchapter M of the Code. We and HMS Adviser have retained MSC Adviser I to act as our investment sub-adviser pursuant to a sub-advisory agreement with Main Street and MSC Adviser I. Our Advisers are collectively responsible for sourcing potential investments, conducting due diligence on prospective investments, analyzing investment opportunities, structuring investments and monitoring our portfolio on an ongoing basis. Both of HMS Adviser and MSC Adviser I are registered as investment advisers with the SEC.

Our primary investment objective is to generate current income through debt and equity investments. A secondary objective is to generate long-term capital appreciation through equity and equity-related investments, including warrants, convertible securities and other rights to acquire equity securities. Our portfolio strategy is to invest primarily in illiquid debt and equity securities issued by lower middle market ("***LMM***") companies, which generally have annual revenues between $10 million and $150 million, and middle market ("***Middle Market***") companies that are generally larger in size than the LMM companies and have annual revenues typically between $10 million and $3 billion. Our LMM and Middle Market portfolio investments generally range in size from $1 million to $15 million. We categorize some of our investments in LMM companies and Middle Market companies as private loan ("***Private Loan***") portfolio investments. Private Loan investments, often referred to in the debt markets as "club deals," are investments, generally in debt instruments, that we originate on a collaborative basis with other investment funds. Private Loan investments are typically similar in size, structure, terms and conditions to investments we hold in our LMM portfolio and Middle Market portfolio. Our portfolio also includes other portfolio ("***Other Portfolio***") investments, primarily consisting of investments managed by third parties, which differ from the typical profiles for our other types of investments. The Company's portfolio investments may be subject to restrictions on resale. In our Other Portfolio, we may incur indirect fees and expenses in connection with investments managed by third parties, such as investments in other investment companies or private funds.

The principals of our Advisers have access to a broad network of relationships with financial sponsors, commercial and investment banks, Middle Market companies and leaders within a number of industries that we believe will produce significant investment opportunities. We leverage the experience and expertise of the principals of our Advisers to execute our investment strategies. Our Adviser's senior management team, through affiliates of Hines Interests Limited Partnership ("***Hines***"), has sponsored and manages three publicly offered and non-traded real estate investment trusts which collectively invested in more than $14.0 billion in real estate investments. Hines is a fully integrated real estate investment and management firm which, with its predecessor, has been investing in real estate assets and providing acquisition, development, financing, property management, leasing and disposition services for over 62 years. This experience includes credit evaluation and underwriting of tenants across numerous industries and geographic markets, including Middle Market companies. Main Street's primary investment focus is providing customized debt and equity financing to LMM companies and debt capital to Middle Market companies that operate in diverse industry sectors. As of September 30, 2019, Main Street had total debt and equity investments with an aggregate fair value of approximately $2.6 billion in 182 portfolio companies.

Our address is 2800 Post Oak Boulevard, Suite 5000, Houston, Texas 77056-6118. Our phone number is (888) 220-6121. Our fax number is (713) 966-2662.

12. Additional Information.

Information concerning our business, including our background, strategy, business, investment portfolio, competition and personnel, as well as our financial information, is included in:

- our Annual Report, as amended, on Form 10-K for the fiscal year ended December 31, 2018, as filed with the SEC on March 8, 2019;
- our Quarterly Report on Form 10-Q for the quarters ended March 31, 2019, June 30, 2019 and September 30, 2019, as filed with the SEC on May 14, 2019, August 13, 2019 and November 13, 2019;

- our Current Reports on Form 8-K (not including any information which is "furnished" and not "filed"), as filed with the SEC on January 31, 2019, February 28, 2019, March 4, 2019, March 26, 2019, May 24, 2019, June 26, 2019, September 4, 2019, September 10, 2019, October 1, 2019, December 2, 2019 and December 12, 2019; and
- our Issuer Tender Offer Statement on Schedule TO, as filed with the SEC on December 30, 2019.

Each of the foregoing documents is incorporated by reference herein. We also hereby incorporate by reference additional documents that we may file with the SEC prior to the Expiration Date. The SEC maintains an Internet site that contains reports, proxy and information statements and other information filed electronically by us with the SEC, which are available on the SEC's website at www.sec.gov. Copies of these reports, proxy and information statements and other information may be obtained, after paying a duplicating fee, by electronic request at the following e-mail address: publicinfo@sec.gov.

13. Certain United States Federal Income Tax Consequences.

The following discussion is a general summary of certain United States federal income tax consequences of a sale of Shares pursuant to the Offer. This summary is based upon the Code, applicable Treasury regulations promulgated thereunder, rulings and administrative pronouncements and judicial decisions, changes in which could affect the tax consequences described herein and could apply on a retroactive basis. This summary addresses only Shares held as capital assets. This summary does not address all of the tax consequences that may be relevant to Stockholders in light of their particular circumstances. In addition, this summary does not address (i) any state, local or foreign tax considerations that may be relevant to a Stockholder's decision to tender Shares pursuant to the Offer; or (ii) any tax consequences to any corporation, partnership, estate, trust or other entity created or organized in or under the laws of the United States or any state thereof or the District of Columbia for U.S. federal tax purposes (or their partners, members, etc.) tendering Shares pursuant to the Offer. Stockholders should consult their own tax advisors regarding the federal, state, local and foreign tax consequences of a sale of Shares pursuant to the Offer. Please also refer to Section 4.c. "Procedures for Tendering Shares - United States Federal Backup Withholding," above.

a. *U.S. Stockholders*. The sale of Shares by a U.S. Stockholder pursuant to the Offer generally will be treated as a sale or exchange for U.S. federal income tax purposes or under certain circumstances, as a "dividend." Under Section 302(b) of the Code, a sale of Shares pursuant to the Offer generally will be treated as a "sale or exchange" if the sale: (i) results in a "complete termination" of the U.S. Stockholder's interest in the Company, (ii) is "substantially disproportionate" with respect to the U.S. Stockholder or (iii) is "not essentially equivalent to a dividend" with respect to the U.S. Stockholder. In determining whether any of these tests has been met, Shares actually owned, as well as Shares considered to be owned by the U.S. Stockholder by reason of certain constructive ownership rules set forth in Section 318 of the Code, generally must be taken into account. If any of these three tests for "sale or exchange" treatment is met, the U.S. Stockholder will recognize gain or loss equal to the difference between the amount of cash received pursuant to the Offer and the adjusted tax basis of the Shares sold. Such gain or loss generally will be a capital gain or loss and will be long-term capital gain or loss if the holding period for such Shares is more than one year. The ability to deduct capital losses is limited. Under the "wash sale" rules of the Code, recognition of a loss on Shares sold pursuant to the Offer will ordinarily be disallowed to the extent a U.S. Stockholder acquires substantially identical Shares, including Shares purchased pursuant to the Company's Distribution Reinvestment Program, within 30 days before or after the date the Shares are purchased by the Company pursuant to the Offer. In that event, the basis and holding period of the Shares acquired by the U.S. Stockholder will be adjusted to reflect the disallowed loss. Additionally, any loss realized upon a taxable disposition of Shares held for six months or less will be treated as a long-term capital loss to the extent of any capital gains dividends received by the U.S. Stockholder (or amounts credited to the U.S. Stockholder as undistributed capital gains) with respect to such Shares.

A distribution will be considered to have been made in "complete termination" of a U.S. Stockholder's interest in the Company within the meaning of Section 302(b)(3) of the Code if either: (i) all of the Shares then actually and constructively owned by the U.S. Stockholder are tendered by such U.S. Stockholder pursuant to the Offer; or (ii) all of the Shares actually owned by the U.S. Stockholder are tendered by such U.S. Stockholder pursuant to the Offer, the only remaining Shares the U.S. Stockholder constructively owned are actually owned by such U.S. Stockholder's family members, and the U.S. Stockholder is eligible to waive and effectively waives, under procedures described in Section 302(c) of the Code, such constructive ownership. A distribution in partial redemption of a U.S. Stockholder's stock in the Company will be considered "substantially disproportionate" under Section 302(b)(2) of the Code with respect to the U.S. Stockholder if: (i) immediately after the redemption, the U.S. Stockholder owns less than 50 percent of the total combined voting power of all classes of voting stock in the Company; (ii) the U.S. Stockholder's percentage ownership of voting stock in the Company immediately after the redemption is less than 80 percent of the same percentage immediately beforehand; and (iii) the U.S. Stockholder's percentage ownership of common stock in the Company (voting or nonvoting) after the redemption is less than 80 percent of the same percentage immediately beforehand. A distribution of partial redemption of Shares in the Company by a U.S. Stockholder will qualify as an exchange under Section 302(b) of the Code if such distribution satisfies the "not essentially equivalent to a dividend" test of Section 302(b)(1) of the

Code. This test should be met if, under all of the facts and circumstances, there is a "meaningful reduction" in a U.S. Shareholder's ownership interest in the Company after completion of the Offer, as compared with the ownership interest maintained by the U.S. Shareholder immediately before the Offer. The IRS has issued rulings in situations involving redemptions of stock owned by minority shareholders of publicly-traded corporations, where each such minority shareholder owned, directly and indirectly, less than 1% of the value and voting power and economic interest held by such minority shareholders in such corporations.

If none of the tests set forth in Section 302(b) of the Code is met, amounts received by a U.S. Stockholder who sells Shares pursuant to the Offer will be taxable to the U.S. Stockholder as a "dividend" to the extent of such U.S. Stockholder's share of the Company's current and accumulated earnings and profits, and the excess of such amounts received over the portion that is taxable as a dividend will constitute a non-taxable return of capital (to the extent of the U.S. Stockholder's adjusted tax basis in the Shares sold pursuant to the Offer). Any amounts received in excess of the U.S. Stockholder's adjusted tax basis in such case will constitute taxable gain. To the extent any amount treated as a dividend is reported by the Company as derived from "qualified dividend income," such amount will be subject to tax in the hands of a U.S. non-corporate Stockholder at rates applicable to net capital gains, provided holding period and other requirements are met at both the U.S. non-corporate Stockholder and Company level. Similarly, if a portion of the Company's income for the taxable year in which an amount treated as a dividend is paid consists of qualifying dividends paid by U.S. corporations and is properly reported by the Company, such portion might qualify for the dividends received deduction when received by certain U.S. corporate Stockholders, provided holding period and other requirements are met at both the U.S. corporate Stockholder and Company level. If the amounts received by a tendering U.S. Stockholder are treated as a "dividend," the tax basis (after an adjustment for non-taxable return of capital discussed above) in the Shares tendered to the Company will be transferred to any remaining Shares held by such U.S. Stockholder.

In addition, if a tender of Shares is treated as a "dividend" to a tendering U.S. Stockholder, the IRS may take the position that a constructive distribution under Section 305(c) of the Code may result to a U.S. Stockholder, including U.S. Stockholders who do not tender any Shares pursuant to the Offer, whose proportionate interest in the earnings and assets of the Company has been increased by such tender. Under Section 305(c) of the Code, a distribution by a corporation of its stock or its rights to acquire its stock is treated as a dividend if the distribution (or series of distributions of which such distribution is one) results in the distribution of money or other property by some shareholders, and results in the increase in the proportionate interests of other shareholders in the assets or earnings and profits of the corporation. Such constructive distribution will be treated as a dividend to the extent of current or accumulated earnings and profits allocable to it. An exception to this rule is provided for a distribution of property incident to an isolated redemption of stock (e.g., pursuant to certain tender offer transactions).

An additional 3.8% Medicare tax is imposed on certain net investment income (including dividends or gains recognized in connection with payments made to U.S. Stockholders pursuant to the Offer) of U.S. individuals, estates and trusts to the extent that such person's "modified adjusted gross income" (in the case of an individual) or "adjusted gross income" (in the case of an estate or trust) exceeds certain threshold amounts. U.S. Stockholders are urged to consult their own tax advisors regarding the possibility of deemed distributions resulting from the sale of Shares pursuant to the Offer.

We cannot predict whether or the extent to which the Offer will be oversubscribed. If the Offer is oversubscribed, proration of tenders pursuant to the Offer, subject to "odd lot" priority, will cause us to accept fewer Shares than are tendered. Therefore, a U.S. Stockholder can be given no assurance that a sufficient number of such U.S. Stockholder's Shares will be purchased pursuant to the Offer to ensure that such purchase will be treated as a sale or exchange, rather than as a dividend, for U.S. federal income tax purposes pursuant to the rules discussed above.

The Company may be required to withhold 24% of the gross proceeds paid to a U.S. Stockholder or other payee pursuant to the Offer as backup withholding unless the U.S. Stockholder has completed and submitted to the Company Form W-9 (or substitute Form W-9), providing the U.S. Stockholder's employer identification number or social security number, as applicable, and certifying under penalties of perjury that: (a) such number is correct; (b) either (i) the U.S. Stockholder is exempt from backup withholding, (ii) the U.S. Stockholder has not been notified by the IRS that the U.S. Stockholder is subject to backup withholding as a result of an under-reporting of interest or dividends, or (iii) the IRS has notified the U.S. Stockholder that the U.S. Stockholder is no longer subject to backup withholding; or (c) an exception applies under applicable law. Even though the Company may have received a completed Form W-9 from a U.S. Stockholder, the Company may nevertheless be required to backup withhold if it receives a notice from the IRS to that effect.

b. *Non-U.S. Stockholders*. The U.S. federal income taxation of a Non-U.S. Stockholder on a sale of Shares pursuant to the Offer depends on whether the sale is "effectively connected" with a trade or business carried on in the U.S. by such Non-U.S. Stockholder (or, if an income tax treaty applies, if the Non-U.S. Stockholder is considered to maintain a U.S. permanent establishment for U.S. federal tax purposes) as well as the tax characterization of the transaction as either a sale of the Shares or a dividend distribution by the Company, as discussed above for U.S. Stockholders. If the sale of Shares pursuant to the Offer is

not so "effectively connected" (or, if an income tax treaty applies, if the Non-U.S. Stockholder is not considered to maintain a U.S. permanent establishment for U.S. federal tax purposes) and if, consistent with the considerations discussed above for U.S. Stockholders, the sale of Shares pursuant to the Offer is treated as a sale or exchange rather than a dividend for U.S. federal income tax purposes, any gain realized by a Non-U.S. Stockholder upon the tender of Shares pursuant to the Offer will not be subject to U.S. federal income tax or to any U.S. tax withholding; provided, however, that such a gain will be subject to U.S. federal income tax at the rate of 30% (or such lower rate as may be applicable under an income tax treaty) if the Non-U.S. Stockholder is a non-resident alien individual who is physically present in the United States for more than 182 days during the taxable year of the sale. If, however, a Non-U.S. Stockholder is deemed, for the reasons described above in respect of U.S. Stockholders, to receive a dividend distribution from the Company with respect to Shares sold pursuant to the Offer, the portion of the distribution treated as a dividend (which may not include the portion of such dividend attributable to certain interest income and certain capital gain income) to the Non-U.S. Stockholder would be subject to a U.S. withholding tax at the rate of 30% (or such lower rate as may be applicable under a tax treaty) if the dividend is not effectively connected with the conduct of a trade or business in the United States by the Non-U.S. Stockholder (or, if an income tax treaty applies, the Non-U.S. Stockholder is not considered to maintain a U.S. permanent establishment for U.S. federal tax purposes). If the amount realized on a sale of Shares by a Non-U.S. Stockholder pursuant to the Offer is effectively connected with the conduct of a trade or business in the United States by the Non-U.S. Stockholder (or, if an income tax treaty applies, the Non-U.S. Stockholder is considered to maintain a U.S. permanent establishment for U.S. federal tax purposes), regardless of whether the tender is characterized as a sale or as giving rise to a dividend distribution from the Company for U.S. federal income tax purposes, the transaction will be treated and taxed in the same manner as if the Shares involved were tendered by a U.S. Stockholder.

Any dividends received by a corporate Non-U.S. Stockholder in connection with any Shares tendered by a Non-U.S. Stockholder pursuant to the Offer that are effectively connected with a U.S. trade or business in which the corporate Stockholder is engaged (and if an income tax treaty applies, are attributable to a permanent establishment maintained by the corporate Non-U.S. Stockholder) also may be subject to an additional branch profits tax at a 30% rate, or lower applicable treaty rate.

Non-U.S. Stockholders should provide the Company with a properly completed Form W-8BEN, Form W-8BEN-E, Form W-8IMY, Form W-8ECI, Form W-8EXP or other applicable form in order to avoid backup withholding (at a rate of 24%) on the cash they receive from the Company regardless of how they are taxed with respect to their tender of the Shares involved.

The Foreign Account Tax Compliance Act provisions of the Code, the related U.S. Treasury and IRS guidance issued thereunder, as well as the applicable intergovernmental agreements ("***IGAs***") entered into between the United States and certain foreign governments (collectively, "***FATCA***") generally imposes a 30% withholding tax on certain payments made to a foreign entity if such entity fails to satisfy certain new disclosure and reporting rules. FATCA generally requires that (i) in the case of a foreign financial institution ("***FFI***"), defined broadly to include a bank, certain insurance companies, a hedge fund, a private equity fund, a mutual fund, a securitization vehicle or other investment vehicle, the entity identifies and provides information in respect of financial accounts with such entity held (directly or indirectly) by U.S. persons and U.S.-owned foreign entities and (ii) in the case of a non-financial foreign entity ("***NFFE***"), the entity identifies and provides information in respect of substantial U.S. owners of such entity. The types of payments subject to FATCA withholding include, among others, dividends and the gross proceeds from the sale, exchange, or other disposition of any property, such as Shares, that could produce U.S. source dividends. Accordingly, any payment made to a tendering Non-U.S. Stockholder who is a FFI or NFFE may be subject to a 30% FATCA withholding tax. However, if a tendering Non-U.S. Stockholder is subject to withholding under FATCA as well as is subject to either backup withholding or U.S. nonresident withholding at source, the Company will withhold only under FATCA (subject to an ability by the Company to elect to backup withhold in certain circumstances).

As the Company cannot determine whether a payment made pursuant to the Offer will properly be characterized as an "exchange" or a "dividend" for U.S. tax purposes at the time of such payment, any payment to a tendering Non-U.S. Stockholder that is a FFI or NFFE will generally be subject to a 30% withholding tax unless (a) in the case of an FFI, the FFI reports certain direct and indirect ownership of foreign financial accounts held by U.S. persons with the FFI and (b) in the case of an NFFE, the NFFE (i) reports information relating to its "substantial U.S. owners" (within the meaning of FATCA), if any, or (ii) certifies that it has no "substantial U.S. owners". Certain Non-U.S. Stockholders may fall into certain exempt, excepted or deemed-compliant categories as established by the Treasury regulations, IGAs, and other guidance regarding FATCA. In order to qualify for any such exception, a Non-U.S. Stockholder generally must provide a properly completed Form W-8BEN, Form W-8BEN-E, Form W-8IMY, Form W-8ECI, Form W-8EXP or other applicable form, signed under penalty of perjury and properly certifying such Non-U.S. Stockholder's status under FATCA, to the Company.

c. *Other Tax Consequences.* The Company's purchase of Shares in the Offer may directly result in, or contribute to a subsequent, limitation on the Company's ability to use capital loss carryforwards to offset future capital gains. Therefore, in certain circumstances, Stockholders who remain Stockholders following completion of the Offer may incur taxes sooner or incur more taxes associated with their investment in the Company, than they would have had the Offer not occurred.

Under Treasury regulations directed at tax shelter activity, if a U.S. Stockholder recognizes a loss of $2 million or more in the case of an individual or other U.S. non-corporate Stockholder or $10 million or more in the case of a U.S. corporate Stockholder, such Stockholder must file a disclosure statement on IRS Form 8886 with the IRS. Direct holders of portfolio securities are in many cases excepted from this reporting requirement, but under current guidance, shareholders of a RIC are not excepted. Future guidance may extend the current exception from this reporting requirement to shareholders of most or all RICs. The fact that a loss is reportable under these Treasury regulations does not affect the legal determination of whether a taxpayer's treatment of the loss is proper. U.S. Stockholders should consult their own tax advisors concerning any possible disclosure obligation with respect to their investment in Shares.

The tax discussion set forth above is included for general information only. Each Stockholder is urged to consult such Stockholder's own tax advisor to determine the particular tax consequences to such Stockholder of the Offer, including the applicability and effect of federal, state, local and foreign tax laws.

14. Amendments; Extension of Tender Period; Termination.

We reserve the right, at any time during the pendency of the Offer, to amend, supplement, extend or terminate the Offer in any respect. Without limiting the manner in which we may choose to make a public announcement of such an amendment, supplement, extension or termination, we shall have no obligation to publish, advertise or otherwise communicate any such public announcement, except as provided by applicable law (including Rules 14e-1(d) and 13e-4(e)(3) promulgated under the Exchange Act).

We may extend the Expiration Date by issuing a press release or making some other public announcement by no later than 9:00 a.m., Eastern Time, on the next business day after the Offer otherwise would have expired. Except to the extent required by applicable law (including Rule 13e-4(f)(1) promulgated under the Exchange Act), we will have no obligation to extend the Offer.

15. Forward Looking Statements; Miscellaneous.

Some of the statements in this Offer may constitute forward-looking statements because they relate to future events or our future performance or financial condition. Words such as "anticipate," "believe," "expect" and "intend" indicate a forward-looking statement, although not all forward-looking statements include these words. The forward-looking statements contained in this Offer involve risks and uncertainties. Our actual results could differ materially from those implied or expressed in the forward-looking statements for any reason, including the factors set forth in the "Risks Factors" section and elsewhere in our annual report on Form 10-K for the year ended December 31, 2018. Other factors that could cause actual results to differ materially include: changes in the economy; risks associated with possible disruption in our operations or the economy generally; and future changes in laws or regulations and conditions in our operating areas.

We have based the forward-looking statements included in the Offer on information available to us on the date of the Offer. Except as required by the federal securities laws, we assume no obligation to revise or update any forward-looking statements, whether as a result of new information, future events or otherwise. You are advised to consult any additional disclosures that we may make directly to you or through reports that we in the future may file with the SEC, including annual reports on Form 10-K, quarterly reports on Form 10-Q and current reports on Form 8-K. The forward-looking statements and projections contained in the Offer are excluded from the safe harbor protection provided by Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Exchange Act.

The Offer is not being made to, nor will we accept tenders from or on behalf of, owners of Shares in any jurisdiction in which the making of the Offer or its acceptance would not comply with the securities or "blue sky" laws of that jurisdiction. We are not aware of any jurisdiction in which the making of the Offer or the acceptance of tenders of, purchase of, or payment for, Shares in accordance with the Offer would not be in compliance with the laws of such jurisdiction. We, however, reserve the right to exclude Stockholders in any jurisdiction in which it is asserted that the Offer cannot lawfully be made or tendered Shares cannot lawfully be accepted, purchased or paid for. So long as we make a good-faith effort to comply with any state law deemed applicable to the Offer, we believe that the exclusion of holders residing in any such jurisdiction is permitted under Rule 13e-4(f)(9) promulgated under the Exchange Act. In any jurisdiction where the securities, blue sky or other laws require the Offer to be made by a licensed broker or dealer, the Offer shall be deemed to be made on our behalf by one or more brokers or dealers licensed under the laws of such jurisdiction.

Offer Expiration: February 7, 2020



Return to:
HMS Income Fund, Inc.
430 W. 7th Street
Kansas City, Missouri 64105

All Custodial and Broker-controlled accounts must include the Custodian and/or Broker Dealer signature.

Hines Investor Relations
Toll-Free: 888.220.6121

Letter of Transmittal

PURSUANT TO OUR SHARE REPURCHASE PROGRAM THIS IS AN OFFER TO PROVIDE LIMITED LIQUIDITY TO OUR STOCKHOLDERS. IF YOU HAVE NO DESIRE TO SELL ANY OF YOUR SHARES AT A PURCHASE PRICE EQUAL TO THE NET ASSET VALUE PER SHARE AS OF FEBRUARY 19, 2020, PLEASE DISREGARD THE REMAINDER OF THIS LETTER.

This is the Letter of Transmittal for the Share Repurchase Program pursuant to the Offer to Purchase dated December 30, 2019 (the "***Offer to Purchase***") to purchase up to an estimated 773,847.59 shares of issued and outstanding common stock, par value $0.001 per share (the "***Shares***"), of HMS Income Fund, Inc. (the "***Company***") at a purchase price equal to the net asset value per Share as of February 19, 2020 (the "***Purchase Price***") as determined by the pricing committee of the Company's board of directors (the "***Board***"). The number of Shares available to be repurchased is dependent upon the Purchase Price.

THE OFFER WILL EXPIRE AT 5:00 P.M., CENTRAL TIME,
ON FEBRUARY 7, 2020, UNLESS THE OFFER IS EXTENDED BY US (THE "*EXPIRATION DATE*").

Any questions concerning the Offer to Purchase or this Letter of Transmittal may be directed to the following address:

HMS Income Fund, Inc.
430 W. 7th Street
Kansas City, Missouri 64105
Phone: 888.220.6121
Fax: 713.966.2661

All Custodial and Broker-controlled accounts must include the Custodian and/or Broker Dealer signature. Sufficient time should be allowed to ensure timely delivery from the Custodian and/or Broker Dealer prior to the Expiration Date.

Delivery of this Letter of Transmittal and all other documents to an address other than as set forth above or as set forth on page 6 will not constitute a valid delivery to the Company.

The Offer to Purchase and this entire Letter of Transmittal, including the accompanying instructions, should be read carefully before this Letter of Transmittal is completed.

IF YOU WISH TO RETAIN YOUR SHARES YOU NEED NOT TAKE ANY ACTION.

SIGNATURES MUST BE PROVIDED ON PAGE 6.

Instructions

FORMING PART OF THE TERMS AND CONDITIONS OF THIS LETTER OF TRANSMITTAL

1. Guarantee of Signatures. Signatures on this Letter of Transmittal must be guaranteed, if applicable, on page 6 in accordance with Rule 17Ad–15 (promulgated under the Securities Exchange Act of 1934, as amended) by an eligible guarantor institution that is a participant in a stock transfer association recognized program, such as a firm that is a member of a registered national securities exchange, a member of the Financial Industry Regulatory Authority, by a commercial bank or trust company having an office or correspondent in the United States or by an international bank, securities dealer, securities broker or other financial institution licensed to do business in its home country.

2. Delivery of Letter of Transmittal. This Letter of Transmittal, properly completed and duly executed, should be sent by mail or courier or delivered by hand to the Company in each case at the address set forth on the front page of this Letter of Transmittal in order to make an effective tender. A properly completed and duly executed Letter of Transmittal must be received by the Company at the address set forth on the front page of this Letter of Transmittal by the Expiration Date. The Purchase Price will be paid and issued in exchange for the Shares tendered and accepted for purchase by the Company pursuant to the Offer to Purchase in all cases only after receipt by the Company of a properly completed and duly executed Letter of Transmittal.

The method of delivery of all documents is at the option and risk of the Signatory (as defined below) and the delivery will be deemed made only when actually received. If delivery is by mail, registered mail with return receipt requested, properly insured, is recommended.

3. Signatures on this Letter of Transmittal, Powers of Attorney and Endorsements.

(a) If this Letter of Transmittal is signed by the registered holder(s) of the Shares to be tendered, the signature(s) of the holder on this Letter of Transmittal must correspond exactly with the name(s) on the subscription agreement accepted by the Company in connection with the purchase of the Shares, unless such Shares have been transferred by the registered holder(s), in which event this Letter of Transmittal should be signed in exactly the same form as the name of the last transferee indicated on the stock ledger maintained in book-entry form by DST Systems, Inc., the Company's transfer agent.

(b) If any Shares tendered with this Letter of Transmittal are owned of record by two or more joint owners, all such owners must sign this Letter of Transmittal.

(c) If this Letter of Transmittal is signed by a person other than the registered holder(s) of the Shares listed, such person must so indicate when signing, and proper evidence satisfactory to the Company of such person's authority to so act must be submitted.

4. Withholding. The Company is entitled to deduct and withhold from any payment to be made pursuant to the Offer to any stockholder whose Shares are accepted for tender by the Company any amounts that the Company is required to deduct and withhold with respect to making such payment under the Internal Revenue Code of 1986, as amended, or any other provision of state, local, or foreign tax law. To the extent any amounts are withheld, the withheld amounts shall be treated for all purposes as having been made and attributable to the holder of Shares in respect of which such deduction and withholding was made. Each stockholder accepting the Offer who has not previously submitted to the Company a correct, completed and signed Internal Revenue Service ("***IRS***") Form W-9 or substitute IRS Form W-9 (included with the original subscription) (for U.S. Stockholders) or IRS Form W-8BEN, IRS Form W-8BEN-E, IRS Form W-8IMY, IRS Form W-8ECI, IRS Form W-8EXP or other applicable form (for Non-U.S. Stockholders), or otherwise established an exemption from such withholding, must submit the appropriate form to the Company. This form requirement is intended to prevent the potential imposition of U.S. federal backup withholding tax on the gross payments made pursuant to the Offer, prior to receiving such payments. Certain persons holding Shares (including among others, most corporations and certain foreign persons) are exempt from backup withholding. The applicable rate for backup withholding is currently 24%. Backup withholding is not an additional tax. Rather, the U.S. federal income tax liability of a person or persons subject to backup withholding will be reduced by the amount of tax withheld. If withholding results in an overpayment of tax, a refund may be obtained by an affected stockholder from the IRS. A stockholder should consult his or her tax advisor as to his or her qualification for exemption from the backup withholding requirements and the procedure for obtaining an exemption.

5. Determinations of Validity. All questions as to the form of documents and the validity of Shares will be resolved by the Company in its sole discretion, which determination shall be final and binding. The Company reserves the absolute right to reject any tenders of any Shares that are not in proper form, or the acceptance of which would, in the opinion of the Company, be unlawful. The Company reserves the absolute right to waive any defect or irregularity of delivery for exchange with regard to any tender of Shares, provided that any such waiver shall apply to all tenders of Shares.

6. Cost Basis. The Company has elected the first-in, first-out (FIFO) method as the default for calculating cost basis for covered shares as defined in the Company's offering documents. If you wish to change your cost basis method, please go to www.hinessecurities.com to log into your account.

DST SYSTEMS, INC., AS TRANSFER AGENT FOR THE COMPANY, WILL NOT BE OBLIGATED TO GIVE ANY NOTICE OF ANY DEFECT OR IRREGULARITY IN ANY TENDER, AND WILL NOT INCUR ANY LIABILITY FOR FAILURE TO GIVE ANY SUCH NOTICE.

* * *

IMPORTANT: THIS LETTER OF TRANSMITTAL PROPERLY COMPLETED AND BEARING ORIGINAL SIGNATURE(S) AND THE ORIGINAL OF ANY REQUIRED SIGNATURE GUARANTEE(S) MUST BE RECEIVED BY THE COMPANY PRIOR TO THE EXPIRATION DATE.

Letter of Transmittal - PLEASE CAREFULLY REVIEW THE INSTRUCTIONS AND COMPLETE THE FOLLOWING PAGE

Ladies and Gentlemen:

The person(s) signing this Letter of Transmittal (the "***Signatory***") hereby tender(s) to the Company, which is an externally managed, non-diversified, closed-end management investment company incorporated in Maryland that has elected to be regulated as a business development company under the Investment Company Act of 1940, as amended, the number of Shares specified on page 4 for purchase in cash by the Company at the Purchase Price as determined by the pricing committee of the Board, under the terms and subject to the conditions set forth in the Offer to Purchase, receipt of which is hereby acknowledged, and in this Letter of Transmittal (which Offer to Purchase and Letter of Transmittal, together with any amendments or supplements thereto, collectively constitute the "***Offer***").

Subject to, and effective upon, acceptance for payment of, or payment for, Shares tendered herewith in accordance with the terms and subject to the conditions of the Offer (including, if the Offer is extended or amended, the terms or conditions of any such extension or amendment), the Signatory hereby sells, assigns and transfers to, or upon the order of, the Company, all right, title and interest in and to all of the Shares that are being tendered hereby that are purchased pursuant to the Offer, and hereby irrevocably constitutes and appoints DST Systems, Inc. as attorney-in-fact of the Signatory with respect to such Shares, with full power of substitution (such power of attorney being deemed to be an irrevocable power coupled with an interest), to receive all benefits and otherwise exercise all rights of beneficial ownership of such Shares, all in accordance with the terms and subject to the conditions set forth in the Offer.

The Signatory recognizes that, under certain circumstances as set forth in the Offer to Purchase, the Company may amend, extend or terminate the Offer or may not be required to purchase any of the Shares tendered hereby. In any such event, the Signatory understands that the Shares not purchased, if any, will continue to be held by the Signatory and will not be tendered.

The Signatory understands that acceptance of Shares by the Company for payment will constitute a binding agreement between the Signatory and the Company upon the terms and subject to the conditions of the Offer.

The Signatory understands that the payment of the Purchase Price for the Shares accepted for purchase by the Company will be made as promptly as practicable by the Company following the conclusion of the Offer and that in no event will the Signatory receive any interest on the Purchase Price or any distributions declared for record dates that occur after the date the Company accepts the Signatory's Shares for repurchase. Payment of the Purchase Price for the Shares tendered by the undersigned will be made on behalf of the Company by check or bank wire or ACH in accordance with the Signatory's payment instructions.

All authority herein conferred or agreed to be conferred shall survive the death or incapacity of the Signatory and all obligations of the Signatory hereunder shall be binding upon the heirs, personal representatives, successors and assigns of the Signatory. Except as stated in the Offer, this tender is irrevocable.

The Signatory hereby acknowledges that capitalized terms not defined in this Letter of Transmittal shall have the meanings ascribed to them in the Offer to Purchase.

OFFER EXPIRATION: February 7, 2020

HMS Income Fund

LETTER OF TRANSMITTAL FOR SHARE REPURCHASE PROGRAM

If you wish to sell your shares, complete the following form. **THIS FORM CANNOT BE USED AFTER THE EXPIRATION DATE.**

1. INVESTOR INFORMATION

Name(s) on the Account	
Investor Phone Number	Investor Email Address
HMS Account Number	Social Security Number/TIN
Financial Advisor Name	
Financial Advisor Phone Number	Financial Advisor Email Address

2. SHARE REPURCHASE REQUEST *(Check one)*

Number of Shares you are submitting for repurchase at a purchase price equal to the net asset value of the Shares on February 19, 2020, as determined by the pricing committee of the Board:

☐ All shares as of the expiration date

☐ Specific number of shares_____

☐ Specific dollar amount $_____

NOTE: *If the aggregate amount of Shares tendered for repurchase exceeds the number of Shares the Company seeks to repurchase, the Company will repurchase Shares on a pro-rata basis, subject to "odd lot" priority, in accordance with the number of Shares duly tendered by or on behalf of each stockholder. See Item 5 below for additional considerations. Further an investor with no Shares outstanding after the completion of this Offer will receive any accrued distributions as a separate cash distribution.*

3. ODD LOTS

As described in Section 1 of the Offer to Purchase, under certain conditions, stockholders holding fewer than 100 Shares (an "odd lot") who tender all of their Shares (also known as "Odd Lot Holders") may have their Shares accepted for payment before any pro-rata reduction in the repurchase of other tendered Shares if the Offer to Purchase is oversubscribed. This preference is not available to partial tenders or to beneficial or record holders of 100 or more Shares in the aggregate even if these holders have separate accounts each representing fewer than 100 Shares. Accordingly, this section is to be completed only if Shares are being tendered by or on behalf of a person owning, beneficially or of record, an aggregate of fewer than 100 Shares. By checking the appropriate box below, the undersigned certifies that:

☐ The undersigned is the beneficial or record owner of an aggregate of fewer than 100 shares, all of which are being tendered.

4. PAYMENT INSTRUCTIONS *(Select only one)*

Indicate how you wish to receive your payment below. If an option is not selected, a check will be sent to your address of record. Proceeds for qualified accounts, including IRAs and other Custodial accounts, and certain Broker-controlled accounts as required by your Broker Dealer of record, will automatically be issued to the Custodian or Broker Dealer of record, as applicable. **All custodial and broker-controlled accounts must include the Custodian and/or Broker Dealer signature.**

☐ **Cash/Check Mailed to Address of Record**

☐ **Cash/Check Mailed to Third Party/Custodian** *(Signature Guarantee required)*

Name / Entity Name / Financial Institution		Mailing Address	
City	State	Zip Code	Account Number

☐ **Cash/Direct Deposit** Attach a **pre-printed voided check.**
(Signature Guarantee required) (Non-Custodial Investors Only)

I authorize HMS Income Fund, Inc. or its agent to deposit my distribution into my checking or savings account. In the event that HMS Income Fund, Inc. deposits funds erroneously into my account, they are authorized to debit my account for an amount not to exceed the amount of the erroneous deposit.

Bank / Financial Institution:	Mailing Address	
City	State	Zip Code
Your Bank's ABA Routing Number	Your Bank Account Number	☐ Checking Account ☐ Savings Account

Please attach a pre-printed voided check.

5. SHARE REPURCHASE PROGRAM CONSIDERATIONS *(Select only one)*

The Company's share repurchase program contains limitations on the number of Shares repurchased during any calendar quarter. If the number of Shares properly tendered and not properly withdrawn prior to the Expiration Date exceed the number of Shares to be repurchased, the Company will purchase properly tendered Shares on a pro-rata basis from all Stockholders who properly tender Shares and do not properly withdraw them before the Expiration Date. If Shares to be repurchased are reduced on a pro-rata basis, you may elect (at the time of tendering your Shares) to either withdraw all of your Shares tendered for repurchase or have your Shares repurchased on a pro-rata basis. If you elect to have your Shares repurchased on a pro-rata basis, your participation in the Company's Distribution Reinvestment Plan will be discontinued with respect to any Shares tendered for repurchase (and not properly withdrawn) that are not repurchased as a result of a pro rata reduction in Shares repurchased. See Item 5 below for more information. Please select one of the following options below. If an option is not selected, properly tendered Shares will be repurchased on a pro-rata basis, in accordance with the terms of the Offer.

☐ Repurchase my Shares on a pro-rata basis, if applicable, upon the terms and subject to the conditions of the Offer.

☐ Withdraw my request to tender my Shares if the Shares to be repurchased will be reduced on a pro-rata basis.

6. DISTRIBUTION REINVESTMENT

Only applicable to Distribution Reinvestment

Your participation in the Company's Distribution Reinvestment Plan will be discontinued with respect to any Shares tendered for repurchase (and not properly withdrawn) that are not repurchased pursuant to the terms of the Offer. If you wish to discontinue your participation in the Company's Distribution Reinvestment Plan with respect to Shares not tendered for repurchase, you must complete the Account Maintenance Form which can be obtained by contacting Hines Investor Relations at 888.220.6121.



7. AUTHORIZED SIGNATURES

By executing this Letter of Transmittal, the undersigned hereby delivers to the Company in connection with the Offer to Purchase the number of Shares indicated above.

All Custodial and Broker-controlled accounts must include the Custodian and/or Broker Dealer signature. Sufficient time should be allowed to ensure timely delivery prior to the Expiration Date.

Additional documentation may be required if redeeming from a Trust, Corporation, Retirement Plan, or Partnership account. If related to death, the completion of the Hines Transfer and Assignment of Shares form may be required. Contact Investor Relations for detailed instructions at 888.220.6121.

IMPORTANT: Signature Guarantee is required if any of the following applies:

- Amount to be redeemed is $100,000 or more.
- The redemption is to be sent to an address other than the address we have had on record for the past 30 days.
- The redemption is to be sent to an address other than the address on record.
- If name has changed from the name in the account registration, we must have a one-and-the-same name signature guarantee. A one-and-the-same signature guarantee must state "<Previous Name> is one-and-the-same as <New Name>" and you must sign your old and new name.
- The redemption proceeds are deposited directly according to banking instructions provided on this form. (Non Custodial Investors Only)

Signature(s) must correspond exactly with the name(s) and account registration in which you held the shares.

Investor Name (Please Print)	Signature	Date

Co-Investor Name (Please Print)	Signature	Date

Signature Guarantee *(Affix Medallion or Signature Guarantee Stamp Below)*	**Custodian and/or Broker/Dealer Authorization** *(if Applicable)*
	Signature of Authorized Person

Is the account held by a Custodian or with Ameriprise Financial Services Inc., AXA Advisors, LLC, or LPL Financial, LLC? This form MUST be submitted to the appropriate firm for signoff before submitting to Hines. Sufficient time should be allowed to ensure timely delivery prior to the Expiration Date.

Mail to: HMS Income Fund, Inc. ● P.O. Box 219010 ● Kansas City, MO 64121-9010

Overnight: HMS Income Fund, Inc. ● 430 W. 7th St. ● Kansas City, MO 64105

Investor Relations: 888.220.6121



Return to:
HMS Income Fund, Inc.
430 W. 7th Street
Kansas City, Missouri 64105

Hines Investor Relations
Toll-Free: 888.220.6121

NOTICE OF WITHDRAWAL OF TENDER REGARDING SHARES HELD IN HMS INCOME FUND, INC.

COMPLETING AND RETURNING THIS FORM WILL RESCIND YOUR SHARE REPURCHASE REQUEST. PLEASE ONLY COMPLETE AND RETURN THIS FORM IF YOU WISH TO RESCIND YOUR PENDING SHARE REPURCHASE REQUEST FOR THE OFFER DATED DECEMBER 30, 2019.

The undersigned recognizes that upon the receipt on a timely basis of this Notice of Withdrawal of Tender, properly executed, the shares (the "***Shares***") of HMS Income Fund, Inc. (the "***Company***") previously tendered will not be purchased by the Company.

Information

Tendered pursuant to the Offer to Purchase dated December 30, 2019.

The offer and withdrawal rights will expire at, and this Notice of Withdrawal must be received by the Company either by hand-delivery, mail or facsimile, before 5:00 P.M., Central Time, on February 7, 2020, unless the offer is extended.

COMPLETE THIS NOTICE OF WITHDRAWAL AND RETURN TO THE FOLLOWING ADDRESS:

HMS Income Fund, Inc.
430 W. 7th Street
Kansas City, Missouri 64105
Phone: 888.220.6121
Fax: 713.966.2661

You are responsible for confirming that this Notice of Withdrawal is received by the Company at the address above.

One **Investor Information**

Print name(s) as registered on the account.

Name(s) On the Account

HMS Account Number	**Social Security Number or TIN on Account**
Financial Advisor Name and Phone Number	

Two **Withdrawal Request**

The undersigned hereby withdraws the tender of its Shares to the Company for purchase by the Company that previously was submitted by the undersigned in a Letter of Transmittal dated _____ , 2019.

This tender was in the amount of: ☐ All Shares as of the Expiration Date, or ☐ _____ Number of Shares.

The undersigned recognizes that upon the receipt on a timely basis of this Notice of Withdrawal of Tender, properly executed, the Shares previously tendered will not be purchased by the Company.

Three **Authorized Signatures**

Sign exactly as your account is registered

Investor Name (Please Print)	**Signature**	**Date**
Investor Name (Please Print)	**Signature**	**Date**



Return to:
HMS Income Fund, Inc.
430 W. 7th Street
Kansas City, Missouri 64105

Hines Investor Relations
Toll-Free: 888.220.6121

PURSUANT TO OUR SHARE REPURCHASE PROGRAM THIS IS AN OFFER TO PROVIDE LIMITED LIQUIDITY TO OUR STOCKHOLDERS. IF YOU HAVE NO DESIRE TO SELL ANY OF YOUR SHARES AT A PURCHASE PRICE EQUAL TO THE NET ASSET VALUE PER SHARE AS OF FEBRUARY 19, 2020, PLEASE DISREGARD THE REMAINDER OF THIS LETTER.

THIS IS NOTIFICATION OF THE SHARE REPURCHASE OFFER

DATED DECEMBER 30, 2019

Dear Stockholder:

We have sent this letter to you to announce the quarterly share repurchase offer by HMS Income Fund, Inc. (the "***Company***," "***we***," or "***us***"). The purpose of this Offer (as defined below) is to provide limited liquidity to holders of shares of our common stock (the "***Shares***") by offering to repurchase certain of those Shares at a purchase price equal to the net asset value per share as of February 19, 2020 as determined by the pricing committee of our board of directors (the "***Board***").

On August 30, 2013, the Board, after finding it to be in our best interest and the best interests of our stockholders, terminated the share repurchase program, as described in Section 5.10(a) of the articles of amendment and restatement of the Company (the "***Charter***"), and the repurchase right in the event of the death or Disability (as defined in the Charter) of a holder of common stock, as described in Section 5.11(a) of the Charter. Concurrently therewith, the Board adopted a new share repurchase program that is further described in the Share Repurchase Package (as defined below) and the prospectus dated May 1, 2017, filed with the Securities and Exchange Commission (the "***SEC***") on May 1, 2017 in accordance with Rule 497 of the Securities Act of 1933, as amended. The new share repurchase program is conducted pursuant to Rule 13e-4 of the Securities Exchange Act of 1934, as amended (the "***Exchange Act***").

IF YOU HAVE NO DESIRE TO SELL ANY OF YOUR SHARES AT A PURCHASE PRICE EQUAL TO THE NET ASSET VALUE PER SHARE AS OF FEBRUARY 19, 2020, PLEASE DISREGARD THE REMAINDER OF THIS NOTICE.

We will contact you again next quarter and each quarter thereafter to notify you if the Company intends to offer to repurchase a portion of its issued and outstanding Shares.

If you would like to tender a portion or all of your Shares pursuant to the terms of this Offer, you must obtain from our website, or request that we mail to you, a copy of the Offer to Purchase, dated December 30, 2019 (the "***Offer to Purchase***") and the related Letter of Transmittal (the "***Letter of Transmittal***") (which together, as they may be amended and supplemented from time to time, constitute the "***Offer***") and other documents related to the Offer (which together, as they may be amended and supplemented from time to time, constitute the "***Share Repurchase Package***"). Please read the following pages and the Share Repurchase Package carefully as they contain important information about the Offer. Requests for the Share Repurchase Package may be directed to the Company as follows.

Our website:	www.hinessecurities.com/past-offerings/hms-income-fund/
Our toll-free phone number:	888.220.6121
Our fax number:	713.966.2661
Our mailing address:	HMS Income Fund, Inc. 430 W. 7th Street Kansas City, Missouri 64105

Stockholders may also contact their financial advisor, broker, dealer, commercial bank or trust company for assistance concerning the Offer.

This announcement is neither an offer to purchase nor a solicitation of an offer to sell shares. The Offer is made solely by the Offer to Purchase, dated December 30, 2019, and the related Letter of Transmittal, and any amendments or supplements thereto. The Offer is not being made to, nor will tenders be accepted from or on behalf of, holders of Shares in any jurisdiction in which the making or acceptance or offers to sell Shares would not be in compliance with the laws of that jurisdiction.

HMS INCOME FUND, INC.

SHARE REPURCHASE TERMS

HMS Income Fund, Inc., an externally managed, non-diversified, closed-end management investment company incorporated in Maryland that has elected to be regulated as a business development company under the Investment Company Act of 1940, as amended, is offering to purchase up to an estimated 773,847.59 shares of its issued and outstanding Shares upon the terms and subject to the conditions described in the Offer to Purchase and the Letter of Transmittal. This Offer has been approved by the Board.

THE OFFER AND WITHDRAWAL RIGHTS WILL EXPIRE AT 5:00 P.M., CENTRAL TIME, ON FEBRUARY 7, 2020, UNLESS THE OFFER IS EXTENDED.

The Offer is not conditioned upon any minimum number of Shares being tendered. The Offer is, however, subject to other conditions as set forth in the Offer to Purchase. The Offer is for cash at a purchase price equal to the net asset value per Share as of February 19, 2020 (the "***Purchase Price***") as determined by the pricing committee of the Board.

NEITHER THE COMPANY, THE BOARD, HMS ADVISER LP, MAIN STREET CAPITAL CORPORATION, MSC ADVISER I, LLC NOR HINES SECURITIES, INC., MAKES ANY RECOMMENDATION TO ANY STOCKHOLDER AS TO WHETHER TO TENDER OR REFRAIN FROM TENDERING SHARES. NO PERSON HAS BEEN AUTHORIZED TO MAKE ANY RECOMMENDATION ON BEHALF OF THE COMPANY, THE BOARD, HMS ADVISER LP, MAIN STREET CAPITAL CORPORATION, MSC ADVISER I, LLC OR HINES SECURITIES, INC. AS TO WHETHER STOCKHOLDERS SHOULD TENDER OR REFRAIN FROM TENDERING SHARES PURSUANT TO THE OFFER OR TO MAKE ANY REPRESENTATION OR TO GIVE ANY INFORMATION IN CONNECTION WITH THE OFFER OTHER THAN AS CONTAINED IN THE OFFER TO PURCHASE OR IN THE LETTER OF TRANSMITTAL.

The Company will purchase, at the Purchase Price, all Shares properly tendered and not properly withdrawn prior to the Expiration Date (as defined below), upon the terms and subject to the conditions of the Offer, including the proration and "odd lot" priority provisions (as described in the Offer to Purchase). Under no circumstances will the Company pay interest on the Purchase Price for the Shares, regardless of any delay in making payment, nor will you be entitled to distributions on record dates that occur on or after the date that Company accepts your Shares for purchase.

The term "***Expiration Date***" means 5:00 p.m., Central Time, on February 7, 2020, unless the Company, in its sole discretion, shall have extended the period of time during which the Offer will remain open, in which event the term "Expiration Date" shall refer to the latest time and date at which the Offer, as so extended, shall expire.

For purposes of the Offer, the Company will be deemed to have accepted for payment and, therefore, purchased, Shares properly tendered (and not properly withdrawn), only when, as and if the Company gives oral or written notice to DST Systems, Inc., the transfer agent for the Offer (the "***Transfer Agent***"), of its acceptance of such Shares for payment under the Offer.

Upon the terms and subject to the conditions of the Offer, if more than the maximum number of Shares to be repurchased by the Company have been properly tendered and not properly withdrawn prior to the Expiration Date, the Company will purchase properly tendered Shares on a pro-rata basis from all stockholders who properly tender Shares and do not properly withdraw them before the Expiration Date, subject to the "odd lot" priority described in the Offer to Purchase. Participation in the Company's Distribution Reinvestment Plan will be discontinued for any Shares properly tendered for repurchase (and not withdrawn) that are not repurchased as a result of the pro-rata reduction in repurchases described in the preceding sentence.

We expressly reserve the right, in our sole discretion, at any time and from time to time, to extend the period of time during which the Offer is open and thereby delay acceptance for payment of, and payment for, any Shares by giving oral or written notice of such extension to the Transfer Agent and making a public announcement thereof no later than 9:00 a.m., Eastern Time, on the next business day after the last previously scheduled or announced Expiration Date. During any such extension, all Shares previously tendered and not properly withdrawn will remain subject to the Offer and to the right of a tendering stockholder to withdraw such stockholder's Shares. The Company also expressly reserves the right to terminate the Offer, as described in the Offer to Purchase. Subject to compliance with applicable law, the Company further reserves the right, regardless of whether any of the circumstances described in the Offer to Purchase shall have occurred or shall be deemed by the Company to have occurred, to amend the Offer in any respect, including by increasing or decreasing the consideration offered. The Company will announce any such termination or amendment to the Offer by making a public announcement of the termination or amendment in accordance with applicable law. Without limiting the manner in which the Company may choose to make a public announcement, except as required by applicable law (including Rule 13e-4 under the Exchange Act), the Company shall have no obligation to publish, advertise or otherwise communicate any such public announcement other than by making a release through PRWeb, Marketwire or another comparable service.

Generally, the receipt of cash from the Company in exchange for a stockholder's Shares will be a taxable event for the stockholder for U.S. federal income tax purposes. The receipt of cash for a stockholder's Shares generally will be treated for U.S. federal income tax purposes either as (1) a sale or exchange of the Shares or (2) a distribution in respect of stock from the Company. The Transfer Agent (or other applicable withholding agent) may be required to withhold U.S. federal taxes on the gross proceeds of the Offer paid to a non-U.S. stockholder. For additional information, see Section 13 of the Offer to Purchase. Each stockholder is urged to consult his, her or its own tax advisor to determine the particular tax consequences to him, her or it of the Offer, including the applicability and effect of federal, state, local and foreign tax laws.

To prevent the potential imposition of U.S. federal backup withholding on the gross payments made pursuant to the Offer, prior to receiving such payments, each stockholder accepting the Offer who has not previously submitted to the Company a correct, completed and signed Internal Revenue Service ("***IRS***") Form W-9 or substitute Form W-9 (included with the original subscription) (for U.S. stockholders) or IRS Form W-8BEN, IRS Form W-8BEN-E, IRS Form W-8IMY, IRS Form W-8ECI, IRS Form W-8EXP or other applicable form (for non-U.S. stockholders), or otherwise established an exemption from such withholding, must submit the appropriate form to the Company.

Tenders of Shares under the Offer are irrevocable, except that such Shares may be withdrawn at any time prior to the Expiration Date, and, unless previously accepted for payment by the Company under the Offer, may also be withdrawn at any time after February 27, 2020 (which is 40 business days after the commencement of the Offer). For such withdrawal to be effective, the Transfer Agent must timely receive a written or facsimile transmission notice of withdrawal at the respective addresses or facsimile number specified for such manner of delivery set forth on the notice of withdrawal. Any such notice of withdrawal must specify the name of the tendering stockholder, the number of Shares to be withdrawn and the name of the registered holder of such Shares. If Shares have been tendered pursuant to the procedure for book-entry transfer set forth in the Offer to Purchase, any notice of withdrawal also must specify the name and the number of the account at the book-entry transfer facility to be credited with the withdrawn Shares and must otherwise comply with such book-entry transfer facility's procedures.

The Company will determine, in its sole discretion, all questions as to the form and validity of any notice of withdrawal, including the time of receipt, and such determination will be final and binding, subject to a stockholder's right to challenge the Company's determination in a court of competent jurisdiction. DST Systems, Inc., as transfer agent for the Company, will not be under any duty to give notification of any defects or irregularities in any tender or notice of withdrawal or incur any liability for failure to give any such notification.

The information required to be disclosed by Rule 13e-4(d)(1) under the Exchange Act is contained in the Offer to Purchase and is incorporated herein by reference.

The purpose of the Offer is to provide limited liquidity to our stockholders because there is otherwise no public market for the Shares. Under our share repurchase program, we plan to conduct quarterly tender offers for the lesser of (i) the number of Shares the Company can repurchase with the proceeds it received from the issuance of Shares under the Company's distribution reinvestment plan prior calendar quarter and (ii) 2.5% per quarter of the weighted average number of outstanding Shares in the prior four calendar quarters. We will repurchase tendered Shares at a price equal to the net asset value per Share, as determined within 48 hours prior to the date we repurchase Shares. We currently anticipate that offers to purchase Shares will be disseminated during the first month of the quarter, each offer to purchase Shares will expire in the second month of the quarter and Shares tendered will be purchased before the last business day of each calendar quarter, unless otherwise determined by the Board.

Our share repurchase program recognizes that our Shares are not listed on a national securities exchange and have limited liquidity prior to the occurrence of a "liquidity event." A liquidity event could include (1) the sale of all or substantially all of our assets either on a complete portfolio basis or individually followed by a liquidation, (2) a listing of our Shares on a national securities exchange, or (3) a merger or another transaction approved by the Board in which our stockholders will receive cash or shares of a publicly traded company. While our intention is to seek to explore a potential liquidity event between four and six years following the closing of our continuous offering of Shares to new investors or any subsequent follow-on offerings, there can be no assurance that a suitable transaction will be available or that market conditions for a liquidity event will be favorable during that time frame. In making a determination of what type of liquidity event is in our best interest, the Board, including our independent directors, may consider a variety of criteria, including portfolio diversification, portfolio performance, our financial condition, potential access to capital as a listed company, market conditions for the sale of our assets or listing of our securities, internal management considerations and the potential for stockholder liquidity.