



WOMBLE
CARLYLE
OUR LAWYERS
MEAN BUSINESS



Creative Business Solutions

Where Credit is Due

Representation of corporate borrowers of syndicated loans.

Problem

Borrowers—companies that wish to borrow money in the capital markets—can't always get the desired loan from a single bank of their choice. They often resort to the use of syndicated loans. A syndicated loan is a method of providing funds in an efficient manner by bringing together a group of lending institutions that together share the risk involved in a large loan. The contractual details between and among a borrower, a lead lender and secondary lenders are extraordinarily complex, with literally thousands of potential combinations of representations, conditions, covenants, default provisions and pricing data—not to mention the actual lending rates. These contractual details can have a material impact on the profitability and operational flexibility of a borrower.

Action

Find a way to tap into the syndicated loan market to access large amounts of needed capital. Obtain reliable information on true market conditions to avoid unknowingly accepting terms and conditions that are not consistent with the market norm. Ensure that the terms and conditions do not needlessly limit management's ability to run the business, and make decisions, as it chooses.

Results

A borrower can obtain needed capital for growth and expansion by obtaining a syndicated loan. As a result, the company can begin to implement its growth strategies and can gain market share. Our attorneys in the Capital Markets Practice Group have extensive experience representing financial institutions involved in making such loans and use the same sources for market information as accessed by professions in the capital markets. Womble Carlyle lawyers can help borrowers ensure that the terms and conditions of their credit transactions are truly at market.

Contact

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