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FINANCE USAGE SCENARIO

Bilateral corporate loan facility transaction

From term sheet to post-completion, Practical Law Finance's resources can guide you through a bilateral corporate loan facility transaction from start to finish.



FROM TERM SHEET TO FINANCE DOCUMENTS

A client lender's term sheet has arrived in your inbox. You need to draft the finance documents and close the transaction as soon as possible as the borrower's financial year end is approaching.

Start by analysing the term sheet. You can use our practice note on *Term sheets* (uk.practicallaw.com/9-201-9296) to understand the lender's and borrower's perspectives. You will then need to draft and negotiate the facility agreement. Even if you have your own precedents, our *Standard document, Facility agreement* (uk.practicallaw.com/3-202-3102) has integrated drafting notes that can guide you on the common negotiating points and tricky areas of law that you might encounter along the way. You can then get a head start on a typical borrower's concerns by reviewing our checklist *Negotiating a facility agreement for a corporate borrower* (uk.practicallaw.com/6-547-0865).

Drill down into our practice notes on *Corporate loan facilities* (uk.practicallaw.com/1-107-4985), *Types of lending and facilities* (uk.practicallaw.com/8-202-0672), *Acquisition finance* (uk.practicallaw.com/3-107-4036) and *Real estate finance* (uk.practicallaw.com/1-502-7032) to understand the issues specific to particular sectors.

If your loan is to be secured, take advantage of our extensive suite of security and guarantee documents, all with detailed integrated drafting notes, from multi-asset debentures, to separate share security, real estate and chattel mortgages. We also have a range of guarantees that are designed to fit common corporate lending scenarios. See our guides to our *Security and quasi security resources* (uk.practicallaw.com/1-386-3269) and *Guarantees resources* (uk.practicallaw.com/5-523-7995) to choose the documents that fit your transaction.

CONDITIONS PRECEDENT

You will now need to instruct your team to run the conditions precedent. Our resources include templates for:

- *Board minutes* (uk.practicallaw.com/8-201-7764)
- *Shareholder resolutions* (uk.practicallaw.com/8-524-8855)
- *Director's certificates* (uk.practicallaw.com/0-500-6577)
- *Undertakings* (uk.practicallaw.com/6-500-4453)
- *Deed of releases* (uk.practicallaw.com/6-385-6450)

If your transaction has a cross-border element, you'll probably need to instruct overseas lawyers. Work out what you need from them with our checklists *Instructing foreign lawyers on facility agreements* (uk.practicallaw.com/4-504-9457) and *Instructing foreign lawyers on security* (uk.practicallaw.com/2-380-9583).

COMPLETION

The borrower has drafted its *Drawdown request* (uk.practicallaw.com/2-203-5681) and the pressure is on to sign and complete. Be prepared for the completion meeting with our *Signing agenda* (uk.practicallaw.com/7-375-1202) and take along our *Loan signing: checklist* (uk.practicallaw.com/1-369-1956).

If you need to provide a legal opinion, make use of our standard documents such as *Legal opinion: English borrower secured bilateral loan facility* (uk.practicallaw.com/8-201-8532). Our checklist *Company searches to be carried out before issuing a legal opinion* (uk.practicallaw.com/0-202-2613) reminds you what you need to know before you can sign off on the opinion.

The documents are signed and the conditions precedent are on the table. With our *Conditions precedent satisfaction letter: lender's lawyers to the lender* (uk.practicallaw.com/7-523-4359) and *Conditions precedent satisfaction letter: lender to borrower* (uk.practicallaw.com/2-523-5422) signed and sent your client can close the deal.

POST-COMPLETION

The deal may be closed but there are post-completion matters to attend to. Work out what security needs to be registered and when with our practice notes *Registration of charges created by companies and limited liability partnerships on or after 6 April 2013* (uk.practicallaw.com/4-520-9238). Your trainee can use our *Form MRO1: drafting note* (uk.practicallaw.com/8-525-2036) to guide them through the filing process.

If the lender has security over real property, make sure its mortgages and charges are perfected with *Perfection of security over freehold and leasehold property* (uk.practicallaw.com/0-378-8459).

For a step-by-step guide to the key stages of a simple loan finance transaction, see *Chronology of a loan finance transaction* (uk.practicallaw.com/0-500-6997).



CONCLUSION

Practical Law Finance offers focused current awareness, practical know-how materials, standard documents and other resources on a wide range of practice areas relevant to finance lawyers, including secured and unsecured lending, debt capital markets, structured finance, swaps and derivatives and project finance. For more information, see: uk.practicallaw.com/finance