



Asset Backed LC Funding Program Process Steps

STEP 1:

**Conditional Term Sheet
from Borrower's Lender**



STEP 1: Borrower's Lender Confirms Possibility

Borrower presents idea of an investor pledging assets to company's balance sheet to see if Lender/Bank will consider issuing an LC and provide a fully conditional term sheet. Available asset classes to be pledged to the clients balance sheet are: a) Safekeeping Receipt
b) Asset Pledge

STEP 2:

**Engagement Fee |
Application | Term Sheet**



STEP 2: Engagement Fee | Loan Application

Investor reviews LC providers term sheet and accepts to move forward with the offer and engages all parties. Borrower pays engagement fee and completes a full loan application. Package is submitted to asset owner for review and risk assessment. A term sheet is issued, terms & equity is negotiated and the term sheet is executed. In parallel LC is being set up.

STEP 3:

**Asset Pledged to
Borrower's Balance Sheet**



STEP 3: Asset Pledged | LC Set Up | Contracts

In parallel:

1. The Asset is pledged to the borrower's balance sheet.
2. Lender/Bank is setting up the Credit Line
3. Contracts between investor and borrower are papered outlining responsibilities for servicing the LC.

STEP 4: Loan Documents | Opening of the LC

1. The loan documents are executed.
2. The Client's bank has finalized the Credit Line.
3. Funds are set aside funds to service the LC.
4. The draws on the LC, as outlined in the loan documents, are between the Investor and the borrower and not subject to the Bank's oversight.
5. LC is open and access to funds is immediate.

STEP 4:

Close & Funding

