

COURSE OUTLINE:

Leveraged Loan Credit Agreements in the US Market: A Practical Approach

1 day
8 CPE Credits

Overview

This one day seminar will review and analyze the key covenants and other provisions used in leveraged loan credit agreements. Whether representing investor or issuer interests, the delegates will become familiar with the purpose and structure of covenants through the use of tools and real life examples. There will be a focus on learning to recognize the strengths and pitfalls of covenants and how creative drafting of covenants and definitions can enhance or weaken a covenant's intent. The course uses Moody's Investors Service Loan Covenant Quality Assessments ('LCQA') as a guide to creating a structured view of the strengths and weaknesses of any particular credit agreement. Each covenant is illustrated by delegates reading an actual version of the covenant and assessing its level of protection using Moody's Investors Service LCQA.

Learning Objectives

Upon completion of this seminar delegates will be able to:

- » Understand the purpose/intention of each of the key leveraged loan covenants
- » Analyze & summarize key covenants with an increased ability to focus on material issues
- » Recognize, describe and assess restricted payments, investments and debt incurrence covenants by analyzing their component parts
- » Determine the level of subordination risk inherent in a structure
- » Understand default provisions and the importance of voting rights in protecting lenders
- » Understand how different credit agreements - for example, a revolving credit facility and a Term Loan B - relate to one another and may be mutually supportive
- » Analyze covenants individually and as a covenant package to assess the overall quality of investor protection

Who Should Attend

High Yield and Leveraged Loan fund managers, bond analysts, leveraged finance lenders generally (including CLO managers), investment banking advisors and other finance professionals with an interest in bank documentation

Program Level

Program Level: Intermediate/Advanced

Prerequisites: 3-5 years' experience in a credit-related finance function or academic equivalent

Delivery Method: Live

Accreditation

Moody's Analytics is registered with the National Association of State Boards of Accountancy (NASBA) as a sponsor of continuing professional education on the National Registry of CPE Sponsors. State boards of accountancy have final authority on the acceptance of individual courses for CPE credit. Complaints regarding registered sponsors may be submitted to the National Registry of CPE Sponsors through its website:

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WHY MOODY'S ANALYTICS?

Current and Consultative

Our seminars are created and updated utilizing the extensive experience, skills and research of Moody's Analytics. For in-house training, we work with you to understand the distinct needs of your organization and design, implement, and track the performance of your learning programs from end-to-end, including skills assessment, program design, implementation, evaluation, and enhancement.

Comprehensive Coverage

We offer a broad set of technical and soft skills programs that can be combined and adapted to the needs of your staff. Our areas of expertise include banking, finance, sales negotiation and leadership development:

Unparalleled Expertise

Our training solutions leverage over a century of experience in risk assessment and the comprehensive tools, data, and analysis of Moody's Analytics to deliver timely, in-depth, and comprehensive knowledge. In delivery, our people make the difference – they combine deep experiences as financial practitioners, intellectual passion for the content, and superior academic credentials with a commitment to delivering outstanding quality.

Leverage Loan Credit Agreements: A Practical Approach – Agenda

Session 1: Introduction and Framework

- » Background to use of covenants in leveraged loan credit agreements
- » Moody's Investors Service LCQAs
- » The differences versus high yield bonds
- » Market influences on covenant quality
- » Term sheets

Session 2: Non-covenant issues

- » Recitals and conditions precedent
- » Representations and warranties
- » Collateral agreements
- » Definitional issues - what exactly is EBITDA?
- » Events of default
- » Responses and waivers
- » MAC clauses
- » Prepayment options

Session 3: Covenant assessments

- » Financial covenants
 - Maintenance covenants and covenant lite
- » Subordination
 - Subordination debt
 - Liens covenant
- » Cash leakage
 - Restricted payments
 - Transactions with affiliates
- » Debt incurrence and debt prepayment
- » Investments in risky assets
 - Permitted acquisitions
- » Prepayments from 'excess' cash
 - Asset sales
 - Cash sweeps
- » Other key issues
 - Voting rights
 - Assignments
 - Incremental facilities
 - Events of default

Session 4: Conclusion

- » Assessing the overall strengths and weaknesses of the credit agreement

Tailor Any Seminar for Your Organization

Moody's Analytics offers customized training and eLearning solutions to help you maximize your training investment. Our hands-on approach benefits companies of all sizes and requirements – from those with just a few local employees to those with staff dispersed around the globe. Contact us to learn more and to work with one of our training consultants to design the right program for your organization.

Multiple Bookings

Special rates may be available for multiple seminar or group bookings. Please contact us for details.

Fees & Cancellations

The fee listed is per participant and includes refreshments, lunches and seminar materials. Seminar fees do not include tax, transportation or hotel accommodations. Payment must be received in full prior to the start of the seminar. Registrations may be cancelled in writing via letter or email at least 30 days before the first date of the training for a full refund. Cancellations received less than 30 days in advance are eligible for substitution with another seminar, but fees will not be refunded. We reserve the right to cancel or reschedule seminars at any time. For further information on our refund and complaint policy, please contact us.

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