

## Leveraged Loan Credit Agreements in the U.S. Market: A Practical Approach



DURATION

1 Day



DELIVERY CHANNEL

Virtual  
Instructor-Led  
OR In-Person  
Classroom



PROGRAM LEVEL

Intermediate to  
Advanced

PREREQUISITES

3 to 5 years in a credit-  
related finance function  
or equivalent academic  
experience

ADVANCE PREPARATION

None

CPE CREDITS

8

### Overview

Using an interactive, case-based approach, participants examine the key covenants and other provisions used in U.S. market leveraged loan credit agreements.

Whether representing investor or issuer interests, participants learn about the non-covenant elements of credit agreements, as well as the purpose and structure of covenants, their strengths and weaknesses, and how creative drafting can enhance or diminish their intent. The course uses Moody's Investors Service Loan Covenant Quality Assessments (LCQA) as a guide to determining the strengths and weaknesses of credit agreements. During the session, participants review real examples of each covenant and assess its level of protection using LCQA.

### Learning Objectives

**Participants will be able to:**

- » Explain the purpose and intent of key leveraged loan covenants.
- » Focus on material issues when analyzing key covenants.
- » Analyze the component parts of restricted payments, investments, and debt incurrence covenants.
- » 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, such as a revolving credit facility and a Term Loan B, relate to one another and may be mutually supportive.
- » Analyze covenants individually and as a package to assess the overall quality of investor protection.

### Who Should Attend?

- » High yield fund managers
- » Leveraged loan fund managers
- » Bond analysts
- » Leveraged finance lenders, including CLO managers
- » Investment banking advisors
- » Finance professionals with an interest in bank documentation

# Course Detail

MODULE	TOPICS
1 <b>Introduction and Framework</b>	» Use of covenants in leveraged loan credit agreements
	» Moody's Investors Service Loan Covenant Quality Assessments
	» Difference between leveraged loans and high-yield bonds
	» Market influences on covenant quality
	» Term sheets
2 <b>Non-covenant Issues</b>	» Recitals and conditions precedent
	» Representations and warranties
	» Collateral agreements
	» Definition issues (What exactly is EBITDA?)
	» Events of default
	» Responses and waivers
	» Material adverse change (MAC) clauses
	» Prepayment options
3 <b>Covenant Assessment</b>	» Financial covenants
	› Maintenance covenants and covenant lite
	» Subordination
	› Subordinated 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	

MODULE	TOPICS
	<ul style="list-style-type: none"> <li>» Other key issues</li> <li>› Voting rights</li> <li>› Assignments</li> <li>› Incremental facilities</li> <li>› Events of default</li> </ul>
<b>4 Conclusion</b>	<ul style="list-style-type: none"> <li>» Assessing the strengths and weaknesses of the credit agreement</li> </ul>

## 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. Students should check for up-to-date information directly from the NASBA website: [www.nasbaregistry.org](http://www.nasbaregistry.org).

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### GROUP DISCOUNTS

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

### FEES AND CANCELLATIONS

The fee listed is per participant. Course fees do not include tax, transportation or hotel accommodations. Payment must be received in full prior to the start of the course. Registrations may be canceled 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 course, but fees will not be refunded. We reserve the right to cancel or reschedule courses at any time. For further information on our refund and complaint policy, please contact us.

## Contact Us

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