

The Ins and Outs of Participations and Co-Lending

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Good

SESSION OUTLINE

- What is a participation; What is co-lending?
- Who is interested in participations?
- Participation and Co-lending Strategies
 - Why we do participations
 - How we do it
 - Benefits and Challenges
- Small Group Break Outs
- Recap and Next Steps

Participation

- Collaboration among lenders to share in a loan.

Co-Lending

- Collaboration among lenders on the same transaction with different loan/lien positions taken on the same deal

Motivation ---- Why?

- Deal larger than lending limit
- Deal larger than you want to lend
- To reduce portfolio concentration
 - Loan type i.e. charter schools
 - geographic
- To earn fee income

Possible Next Steps

- Exchange business cards today
- Study portfolio; determine what you want to buy or sell
- Negotiate A Participation Agreement
- Industry-wide actions to increase or accelerate participations?