

Finance Alert

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Collateral Damage: What Not to Overlook in Subscription Line and Management Fee Line Facility Diligence

Two of today’s more popular fund finance products are subscription line lending and management fee lines of credit. While both provide liquidity to a sponsor and its private equity funds and managers, the facilities serve different purposes and are underpinned by substantially different collateral. Understanding these differences, and how they impact the due diligence process from both a credit and a legal perspective, is crucial. In “Collateral Damage: What Not to Overlook in Subscription Line and Management Fee Line Facility Diligence,” Loeb & Loeb partners [Anthony Pirraglia](#) and [Peter Beardsley](#) and senior counsel [Richard Facundo](#) provide a step-by-step, systematic approach for the due diligence critical for successfully underwriting and consummating a lending facility to a private equity fund under either a subscription line lending or a management fee line of credit scenario.

Global Legal Insights: Fund Finance Laws and Regulations 2023 “covers legal trends and developments in the greater fund finance markets” in 46 chapters—27 product-oriented chapters together with individual chapters covering 19 jurisdictions.

[Click here](#) to read the chapter of “Collateral Damage: What Not to Overlook in Subscription Line and Management Fee Line Facility Diligence.”



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