

Finance



JANUARY 2020

Subscription Line Lending: Due Diligence by the Numbers

Financial institutions wishing to participate in subscription line lending must take a fundamental and systematic approach to the due diligence that is required to underwrite and consummate a lending facility for a private equity fund. After all, the foundation of subscription line lending is the strength of the commitment of the investors to fund their capital commitments when called. The diverse pool of investors is the secret sauce of the subscription lending credit, and determining the strengths and weaknesses in their obligations is the key to successful participation in these markets.

This chapter addresses the various due diligence tasks required as lenders and their counsel look to build a complete structure of legal agreements in order to provide sufficient comfort that the obligations of the fund investors will be enforceable in a default scenario. Click here to download a PDF of the full chapter.

Related Professionals

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6204 REV1 02-06-2020

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