

EXERCISE**OVERVIEW OF A LOAN TRANSACTION***Background*

You represent a small office supply company, Paperclips Inc., that's considering taking out a secured loan. Paperclip's CFO has a contact at a bank that he's planning to reach out to. Before he does, Paperclip's GC wants to have a call with you and the CFO. This is the company's first time taking out a secured loan and the GC would like to know what the overall process is like and what will be expected of them.

Instructions

Come prepared to discuss the following:

- What a bank's due diligence process looks like, and what the client's role is in that process.
- What the main documents are in a lending deal, and who will likely be responsible for drafting them.
- How the parties will track the progress of the deal and how your firm will work with the bank's counsel to make sure that the deal is moving along quickly.
- How long the client should expect the process to take.
- When the closing date will be set.
- The impact that the loan might have on the Company's operations post-closing.