**I**nvestment **s**creening **M**emorandum

**Investment Screening Memorandum Overview:**

*Use a combination of the CAM and BEAM overview sections as appropriate*

|  |
| --- |
| **Investment Summary – Project Name** |

|  |  |  |  |
| --- | --- | --- | --- |
| **Investment / Loan Description:** | Credit Facility sought  | **Amount:** | $ Amount of facility |
| **Use of Proceeds:** | and use of proceeds and collateral | **LTV or Borrowing Base:** | Ratio or % |
| **Collateral Description:** | Describe the primary collateral, its value, and method of valuation | **Term:** | years |
| **Deal Source (JV Partner):** | Referral agent or bank branch | **Fees to be Paid to Referral:** | Amount |
| **Construction Period:** | Months / Period | **Lender Funding Fee:**  | 3% |
| **Proposed Initial Draw Date:** | Date | **Other:** | - |
| **Proposed initial Draw Amount:** | $ Amount | **Other:** | - |
| **Originator / Banker:** | Credit Analyst preparing CAM | **AMMR and O&M fees:** | % p.a. or $ Amount |

**Introduction/Background:**

*This section expanded version of CAM and BEAM*

**The Company:**

*This section is a very detailed Company analysis and review of history and current status, including existing capital and lenders*

**The Transaction:**

*This section describes the funding contemplated and the Use of proceeds, and should discuss the lenders competition for the deal*

**Transaction Sources and Uses of Proceeds:**

*Table of Transaction Sources and uses*

**Summary of Terms:**

*Provide the detailed Term Sheet for each tranche of capital contemplated being provided by the lender. In addition there should be a summary of other capital terms with which the lender had intercreditor agreements or is junior or senior to the lender, even if structurally subordinated by being a credit facility of a related entity, may be sometimes appropriate.*

**Unit Economics (Net Outflows & Inflows):**

*From BEAM*

**Summary Business Plan:**

*This section is from BEAM*

**Metrics of Customer Profiles:**

*This section should describe the merits of the product and customer s of the borrower, to ensure the AR and Inventory collateral has value, there should be a discussion of the Borrowing Base for instance and the analysis of valuations of liquidation assumptions.*

**Summary Structure:**

*Summary of structural elements and rationale, including covenants and rationale and how they fit together*

**Summary of AMMR:**

*Summary of AMMR procedures and responsibilities and costs and fees, including covenants and rationale and how they fit together*

**Pricing Model:**

*From BEAM*

**Investment Risks and Mitigants:**

### Risk: Each Business or Financial Risk should be detailed as an individual Risk here.

**Mitigant:** There should be a thoughtful mitigant for each risk, which is either structural, covenanted or warranted or otherwise accommodated for

### Risk: XYZ.

**Mitigant:** ABC

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**Mitigant:** ABC.

### Risk: XYZ.

**Mitigant:** ABC.

**Investment Considerations:**

*High points for the rationale to recommend this transaction:*

* *High yield*
* *Short-term duration facilities*
* *Lack of competition in providing capital as contemplated – business opportunity for lender*
* *Stickiness of Customers and repeat relationships will grow the business*
* *Established existing credit policies protocols*

**Due Diligence:**

### *Lender has completed substantially all of its due diligence, including the following: or detail that which still remains*

* *Client Acceptance Memo (“CAM”)*
	+ *List the DD completed*
* *Business Plan Evaluation and Acceptance Memo (“BEAM”)*
	+ *Compare and contrast*
		- *Detail DD completed*

*Lender intends to complete its’ documentation to ensure appropriate protections by completing the following:*

* *E.g. below*
* *Account control agreement*
* *Establishment of bankruptcy-remote SPV*
* *Entity formation*
* *Insurance contracts and assignment*

**Valuation & LTV:**

*Describe in detail the valuation methodology and how it pertains to the transaction and the collateral and structure contemplated*

**Management Team:**