

Notes on Debt Structure and Pricing

Note on Purpose and Repayment

How to analyze cash available to repay debt and set repayment schedules

- Identifying sources and uses of cash
- Identifying debt financing needs
- Sizing revolvers
- Setting repayment schedules

Note on Intercreditor Priority

How subordination and security affect credit structure

- Priority and credit risk
- Contractual and structural subordination
- Security
- Statutory and effective subordination

Note on Debt Terms and Conditions

How to structure and analyze covenants, defaults and other debt terms and conditions

- Covenant types
- Setting covenant levels
- Defaults and remedies
- Bond terms

Note on Debt Pricing

How to create and interpret pricing structures for loans and bonds

- Debt pricing structures
- Loan pricing
- Bond pricing
- Interest rate swaps and relative value

Note on Credit Derivatives

How lenders use credit derivatives to hedge their credit exposures

- Credit default swap
- Credit-linked note
- Basket products
- Collateralized debt obligation

Note on Bankruptcy

How bankruptcy affects priority, risk, and returns

- Voluntary and involuntary bankruptcy
- Priority of claims
- Out of court restructurings
- Bankruptcy and value