



# Participation Financing

## Transaction Parameters

- Lead has a senior security interest in assets of the client.
- Account Debtors are adequately diversified and credit limits are justified by credit ratings.
- Industry served does not include Medical/Retail/Construction.
- Client must be operating profitably or reasonably deemed to become profitable in the short-term.
- Client senior management must be experience within their respective industry and be of good character and adequate personal credit.
- Lead lender must be reputable with good operational department and collateral monitoring procedures.

## Documentation Request

*Lead should provide FCC complete copy of the client and credit file on the participation transaction.  
Generally, a fully completed FCC client file includes the following.*

### General Information

- ✓ Copy of Lead Credit Committee Memos and Field Exam Reports, if any
- ✓ Original Funding Application
- ✓ Client Promotional Material, if any
- ✓ Client Business Plan/Executive Summary, if any
- ✓ Resume or Bios on Owners and/or Key Management
- ✓ Personal Financial Statement on Majority Owners and Guarantors
- ✓ Personal Credit Report on Owners
- ✓ Copy of State ID on Owners (USA Patriot Act Requirement)
- ✓ Copy of Articles of Incorporation

### Accounts Receivable and Payable Information

- ✓ Accounts Receivable Aging
- ✓ Full Client list
- ✓ Accounts Payable Aging
- ✓ Copy of Tax or Supplier Payment Plan(s), if any

### Financial Information

- ✓ Financial Projections, if company is unprofitable for last fiscal year
- ✓ Financial Statements (Last 2 fiscal years, most recent year-to-date available)
- ✓ Tax Returns (2 years)
- ✓ Proof of Tax Payments

### Other Information

- ✓ Copy of UCC search results and corporate status report from Lead
- ✓ Copy of Lead Financing Documents with Client
- ✓ Copy of Customer Contracts, if applicable