MONTCLARE CAPITAL PARTNERS

AMSTERDAM · ZUIDAS

THE TAX & ASSET MANAGEMENT ENGINEERS

FINANCING · SELF-ASSESSMENT

The Credit File Check

For borrowers approaching European lenders. Ten questions a credit committee will ask about your file, and which most applicants cannot answer on the day they are asked.

Lenders decline far more often for **incoherence than for weakness**. A sound project presented as scattered documents reads as a risk; an ordinary project presented properly reads as bankable. This check is the file a committee expects to receive.

TICK EVERY STATEMENT THAT IS TRUE TODAY

- [ ] 01 The **ownership chain is documented** from the borrowing entity up to the ultimate beneficial owner.
- [ ] 02 The **borrower actually owns the assets** being financed or secured, and can prove it.
- [ ] 03 **Statutory accounts are current** and filed, and management accounts exist for the period since.
- [ ] 04 The **use of funds is defined** line by line, not described as working capital.
- [ ] 05 There is a **repayment source that is not the sale of the asset**, or the exit is contracted rather than hoped for.
- [ ] 06 The **security package is identified**: what is pledged, by whom, and ranking against existing charges.
- [ ] 07 The **beneficial ownership recorded in public registers matches** what the file says.
- [ ] 08 **Valuations are recent** and prepared by a party a lender would accept.
- [ ] 09 Projections have been **tested against a downside**, not only a base case.
- [ ] 10 Someone can **answer questions on the file** without going back to three different advisers.

WHAT YOUR ANSWERS MEAN

EIGHT OR MORE	You are ready to approach lenders. The remaining work is matching the file to the right kind of capital rather than assembling it.
FIVE TO SEVEN	The project is probably financeable, but the file is not. Expect delay, more questions and a weaker negotiating position on price and covenants.
FOUR OR FEWER	Approaching the market now risks a decline that follows you. Lenders talk, and a refused file is harder to place afterwards.
BLANK ON 3, 7 OR 8	These three stop a file at the first review. They are also the quickest to fix before anyone sees it.

WHAT GOOD LOOKS LIKE

01 · ORDER

The corporate picture

Ownership, title, accounts and authority, in a form a committee can verify quickly.

02 · BUILD

The case

Use of funds, cash flow, security and repayment under base and downside scenarios.

03 · MATCH

The right lender

Bank, private credit or hybrid, approached with the file each of them actually reads.

Not sure your file is ready? Let's test it before a lender does.

A confidential 30-minute review of your financing position with Montclare, no charge, no obligation.

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