Loan FpML Working Group – XML Examples – Letter of Credit Notifications

Letter of Credit notifications provide a means for an administrative agent to communicate issuance, amendment, and termination of letters of credit. The administrative agent also acts as a conduit between the issuing bank and the lenders. In Loan FpML v5.11, all letter of credit events are contained within the lcEventGroup substitution group. Multiple events conveyed in separate messages but related to a single letter of credit-level parent event can be connected via the same parentEventIdentifier.

The following identifiers are used within the notifications to represent different actors or structures (i.e. term and revolving facility) related to the transaction:

Actor / Structure	External Identifier	Attribute ID (Internal Identifier)
Agent	US2A432121	BANKOFAGENTSNA
Borrower	US3B789454	BORROWERINC
Beneficiary	US1B987656	BENEFICIARYINC
Lender	US5L567878	LENDERCORP
Issuing Bank	US6I874125	ISSUINGBANKINC
Term Facility	F123452TLA	FAC12345
Revolving Facility	F234564REV	FAC67890

Scenario 1 (Loan_LCAdj_ex1)
This notification is sent by the agent to the lender to communicate an adjustment, in this case a decrease, of a standby letter of credit. A decrease in the amount of $50,000.00 will be applicable effective 11/12/2014. The relatedBorrowing element is set to false, as this is a normal decrease in the letter of credit amount and there is no loan borrowing taking place in conjunction with the decrease.

Scenario 2 (Loan_LCFeePay_ex1_1)
This example represents an L/C fee payment against two standby letters of credit. The example is transmitted as 2 notices:
- Fee payment against SBLC #1 (Loan_LCFeePay_ex1_1)
  - This example uses the 'lcIssuanceFeePayment' substitution event to communicate an L/C fee payment against a standby letter of credit (ISO000376). The payment for $1487.50 is effective as of 06/30/2014.
- Fee payment against SBLC #2 (Loan_LCFeePay_ex1_2)
  - This example uses the 'lcIssuanceFeePayment' substitution event to communicate an L/C fee payment against a standby letter of credit (SM223440). The payment for $684.62 is effective as of 06/30/2014.

Scenario 3 (Loan_LCFeePay_ex2)
This example represents an L/C fee payment against a single standby letter of credit. The 'lcIssuanceFeePayment' substitution event is used to communicate the payment through an lcNotification. The payment for $684.62 is effective as of 06/30/2014.

Scenario 4 (Loan_LCIss_ex1)
This example represents issuance of a standby letter of credit, LOC123. A new letter of credit in the amount of 100,000.00 is issued as of 11/12/2014.

Scenario 5 (Loan_LCIss_ex2)

This example represents issuance of a standby letter of credit, LOC456. The 'lcIssuance' substitution event communicates the issuance of a letter of credit in the amount of $60,000.00 effective 11/12/2014.

Scenario 6 (Loan_LCIss_ex3)

This example represents issuance of a trade letter of credit, LOC789. The 'lcIssuance' substitution event communicates the issuance of the new trade letter of credit in the amount of $500,000.00. $153,846.15 is the lender share amount for the letter of credit. 09/24/2014 is the effective date of the new letter of credit.

Scenario 7 (Loan_LCIss_ex4)

This example represents issuance of a standby letter of credit, LOC234, that includes a currency exchange, from EUR to USD. The 'lcIssuance' substitution event communicates the issuance of a new $900,000.00 EUR letter of credit, effective 09/29/2014. The rate of currency exchange is 1.2423 EUR per USD. An evergreen option is included in this notice, which allows the borrower to extend the letter of credit tenor. In this case, the evergreen example stipulates a 60-day non-renewal notice and an extension period of 1 year.