

Lending Reference Guide

Advanced Technology Vehicles Manufacturing Loan Program



LPO Role

- Support investment in U.S. manufacturing of light-duty vehicles, qualifying components and materials that improve fuel economy
- Governed by Section 136 of the [Energy Independence and Security Act of 2007](#) and DOE's [Interim Final Rule, as amended and corrected](#)

Lending Capacity

- [ATVM](#) – \$17.7 billion currently available

LPO Value-Added

✓ Low Cost Capital

✓ Flexible Financing

✓ Committed Partner

- Debt priced at U.S. Treasury rates
- Construction financing and long loan tenors
- Reliable anchor lender that is actively engaged throughout project life
- Multidisciplinary deal teams experienced in execution and monitoring of highly structured, complex transactions

Project Eligibility

- Located in the U.S. or its territories
- Automotive, component or materials manufacturing that supports [specified fuel economy requirements](#)
- Reasonable prospect of repayment
- Additional details online at [Eligibility Requirements](#)

Loan Product Features

- Senior secured, fixed rate debt
- Sole lender or complementary co-lender
- Direct loan from U.S. Treasury's Federal Finance Bank (FFB)
- Structures may include corporate, structured corporate or project finance loans
- Debt amounts based on credit profile, business plan, market risk, technology, cash flows, project risk allocation and other relevant factors

Eligible Project Costs

- Costs that are reasonably related to re-equipping, expanding or establishing manufacturing facilities in the U.S.
- Costs of engineering integration performed in the U.S.
- Reasonably incurred advisory costs
- Detailed list of [Eligible Project Costs](#) can be found in 10 CFR 611.102

Repayment Terms

- Amortization based on credit profile and/or predictability of project cash flows
- Tenor of up to 25 years or useful life of the assets financed

Pricing & Fees

- Pricing equal to [U.S. Treasury-equivalent yield curve](#) with zero credit spread
- Closing fee of 10 basis points (0.10%) on maximum principal amount
- LPO's transaction advisory costs (financial, market, technical, legal, insurance)

Application & Underwriting Process

- Pre-application dialogue encouraged
- See [Guidance for Applicants to the Advanced Technology Vehicles Manufacturing Loan Program](#) online for additional details
- Due diligence, structuring, negotiation, credit approval, documentation and closing processes similar to those of commercial lenders
- Transaction execution timing is affected by completeness of application materials, sponsor's readiness to proceed, responsiveness to information requests and negotiation efficiency
- Required concurrence (30-day review period) of U.S. Treasury/FFB and Office of Management & Budget prior to Conditional Commitment and Closing

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General features as of March 2020, subject to change