



## **LSTA Releases New Incremental Facility Amendment**

April 2, 2018 - The LSTA has published the new Form of Incremental Facility Amendment. Incremental facilities may take the form of tranches of an existing facility (typically referred to under the credit agreement as an "accordion" or "increase") or tranches of an entirely new facility (typically referred to under the credit agreement as a "new incremental tranche" or similar term). An incremental facility amendment is the instrument pursuant to which the new or increasing lender becomes bound to the increase and is executed by the borrower, any guarantors, the administrative agent, and each incremental lender (typically they are not required to execute a counterpart of the credit agreement). Pursuant to this short document, each new lender assumes its commitment as a lender under the facility and an increasing lender agrees to the increase of its commitment. In addition to typical boilerplate language, it sets forth the conditions precedent to the incremental loans, certain borrower representations & warranties, and a reaffirmation of guarantees/security interests by the loan parties. For any questions, please contact Bridget Marsh.