

## Overview of the OPIC Finance Origination Process

1. Sponsor(s) submit a Finance Application and supporting documentation, Office of Investment Policy Questionnaire and Sponsor Disclosure Report(s) on-line.
2. OPIC officer “screens” the project with management and gets approval to send a Retainer Letter.
3. Sponsors sign the Retainer Letter and pay the Retainer Fee.
4. The origination officer and the internal project attorney work with the sponsors to do the due diligence analysis/underwriting as efficiently as possible, and sometimes outside consultants or attorneys are required. The length of this part of the process usually depends on how complex the project information is and how quickly it becomes available. Credit underwriting includes:
  - Evaluation of the business plan, financial projections, project documents (e.g. contracts, concessions, licenses, leases) and any other information relevant to the project’s projected performance.
  - Completion of policy clearances by OPIC’s Office of Investment Policy (environmental, economic effects, worker rights, human rights)
  - Credit and background checks
  - Cable to the US Embassy
  - Preparation of a credit memo and term sheet for management approval
5. During the due diligence process, as the OPIC personnel gain a thorough understanding of the project, there will be discussions with the sponsors regarding specific terms of the loan and preparation of the term sheet.
6. If the evaluation of project documents described above revealed significant flaws or omissions, the project team will work with the borrower/sponsors to correct or remediate those flaws or omissions.
7. Once the credit memo and term sheet have been prepared, the time that it takes to obtain credit and management approval of the loan terms depends upon the size of the loan. Loans of \$20 million and under may be approved by senior credit and management personnel. Loans between \$20 million and \$50 million must be approved by OPIC’s Credit Committee and Investment Committee, necessarily a longer, more involved process. Loans over \$50 million must be approved by the Credit Committee, Investment Committee and Board of Directors (which meets only periodically).
8. Once the loan terms have been approved, OPIC and the sponsor (with attorneys) complete negotiation/drafting of the financing documents.
9. Once the financing documents have been executed, OPIC can begin disbursing as soon as the project is ready for the funds and the sponsors have complied with the loan terms for disbursement.
10. After the first disbursement, the origination officer generally transfers ongoing monitoring of the loan to OPIC’s Portfolio Management Division (PMD). PMD may assign the project to a monitoring officer within OPIC or may outsource this function to an external servicing company. In either case, the project sponsors/management will be notified of the transfer and introduced to the new contact.