



# 7 Workstreams TREASURY & RISK for Loan Modifications

THE FUTURE OF FINANCE TODAY

Loan modification workstream methodology from [EA Markets](#)  
By Reuben Daniels

**1. Assessment.** Review your existing credit agreements and capital structure in the context of business conditions, lenders, market activity, and financial objectives.

**2. Financial.** Assess and develop financial-model forecasts and scenarios, emphasizing terms and conditions compliance with a focus on extending liquidity. Consider:

- What do our new projections look like for the next few quarters?
- Where do we expect to experience pressure on the covenants?
- What are the downside scenarios?

**3. Alternatives.** Develop, evaluate, and present alternative commercial strategies for achieving the desired financial objectives.

Questions to answer include:

- Should we go to an alternative market?
- Should we try to add more banks to the lending group?
- What other business opportunities can we offer the lender?
- Should we take an aggressive or a conservative approach?
- What are the different paths to achieving our financial objectives?

**4. Roadmap.** Of all the paths you've considered, which will enable you to create a streamlined proposal that will be

motivational to your lending group? Select the optimal path, and create a roadmap for the selected strategy, including financial, market activity, documentation, positioning, and implementation workstreams.

**5. Positioning.** Prioritize loan modifications and potential concessions, and define lender positioning, influence levers, and a communication plan.

- What's the narrative we're going to present to the lenders?
- Are we positioning this as a simple or complex exercise?
- Are we positioning it as relatively fair and balanced, or does it lean heavily in our favor?
- Do we want to create competitive dynamics for the lenders?
- What is the negotiating path that we're going to be presenting to persuade the lenders to agree?

**6. Documentation.** Prepare transaction materials, including form of implementation, terms and conditions modifications, proposed language, and a project management plan.

**7. Implementation.** Execute the targeted commercial outcome, including lender management, transaction negotiation, and process management.



**Reuben Daniels** is founder and Managing Partner of EA Markets. He leads the firm's client service activities in addition to his business development and day-to-day management responsibilities. Prior to EA, Reuben served as Co-Head of U.S. Investment Banking with Barclays Capital, Managing Director with Deutsche Bank, Head of U.S. Corporate Swaps Marketing with J.P. Morgan, and he began his career as a senior consultant with Price Waterhouse. [reuben.daniels@eamarkets.com](mailto:reuben.daniels@eamarkets.com)



Reuben Daniels. "7 Workstreams for Loan Modifications". Treasury and Risk, 21 May 2020, <https://www.treasuryandrisk.com/2020/05/21/7-workstreams-for-loan-modifications/>

West 45th Street, New York, NY 10036 | 646.470.6587 | [info@eamarkets.com](mailto:info@eamarkets.com)