

# Beyond Creative Financing



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**...one might benefit from old-style financing – Monetization.**

In the 1990's we all heard the big buzz-word – “creative financing”, leveraging of credits, etc, etc. As with any “new” idea, some people made good money, some people lost good money employing the strategy of creative financing. It is not the subject of this short article to explore and discuss all the pros and cons of this phenomenon. However, the reality of today is: It is pretty much impossible to get any bank loan using credit-upon-credit leverage. It's time is gone and will not be back for quite some time, if ever.

Nowadays, in this credit-crazy time, one might benefit from looking at old-style financing – Monetization. There is an old saying that goes something like this: all that is new is the forgotten old. Same here, we turn back to the old, time-tested way of getting cash redeemed though monetization of: contracts, guarantees, etc. In a nutshell it is a simple process: reliable guarantee (*whatever form it might be*) with assigned value is placed as collateral for a loan. Think of it as co-signing a car loan for your child where based on your signature (*and, of course good credit history*) the credit is extended for the car purchase. Now, change the scale and the picture, it may look like this: your company is going to build a facility for your city and in order to raise capital, you use your guaranteed contract with local municipality as leverage for a cash advance for the construction costs... that simple!

Here are the essential building blocks of monetization:

- Entity (*with good credit rating*) – guarantor
- Contract with certain date payment guarantee of minimum amount (*the amount of proposed financing*)

This process, being so simple, is still hard for some people to understand, because it sounds “too simple and too good to be true, so it must be a hoax”. This is why we suggest to our clients to not try to explain this to the guarantor; let the professional consultants of Concord Capital do it. After the first stage of talk, the best thing is to hold a conference call with the attorney of the entity that is acting as a guarantor and attorney of our lender; they will be able to discuss the issue at hand in legal terms. After that point everything can go very quickly and in a couple weeks the deal can be consummated.

Here is some of the highlights of this great process:

- The terms of the financing could be anything from 3 years to 20 years (*depending of the contract between client & guarantor*)
- The payment can be postponed up to 7 years!
- The transaction is done in 30 days or less
- The transaction does not tie down the credit of your company, in fact your credit is not even considered at all!

As you can see, this is a highly desirable situation for financing of small to large projects (*from 5 million USD to... unlimited*). Contact any Consultant of Concord Capital today and we will be able to help you to get beyond creative financing, into the world of real capitalization.

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