



# Regulatory Capital Notes

Chapman and Cutler has an extensive history of representing banks lending money on a subordinated basis to other banks for regulatory capital purposes.

**Chapman practice group attorneys are well-versed in the nuances of regulatory capital note law.**

Making subordinated loans to banks and bank holding companies that qualify as regulatory capital requires in-depth understanding of the many regulatory principles governing such debt. Our firm understands these principles and has collective experience in creatively conveying these principles to our valued bank-lending clients. We work with each client to structure and document his or her individual transactions in a way that allows the client's customer to treat the debt as regulatory capital.

## Representative Transactions

- We represented a local Chicago-based bank in connection with a \$20 million, ten-year subordinated term loan to a Montana-based bank holding company.
- Our practice group attorneys served as counsel to the agent bank in connection with a \$20 million, seven-year subordinated term loan qualifying as Tier-2 capital made to a Florida-based national bank.
- The firm negotiated a \$25 million, five-year subordinated term loan qualifying as Tier-2 capital to a North Dakota-based national bank.
- Additionally, we counseled a bank client in the completion of a complex transaction for a national bank based in Indiana, solidifying a \$5 million, seven-year subordinated term loan qualifying as Tier-2 capital.
- Chapman and Cutler advised the agent bank on a \$25 million subordinated term loan facility to a Florida state bank which qualified as Tier-2 capital.

## Attorneys

Daniel W. Baker  
Robert E. Lockner

## Related Practices

Agribusiness Lending  
Asset-Based Lending  
Banking and Financial Services  
Commercial Lending  
Commercial Lending and Real Estate  
Derivative Transactions  
Ex-Im Bank Financing  
Lending to Private Equity Firms  
Letters of Credit/Bankers Acceptances  
Loan Syndications and Trading/Syndicated Credits  
Public and Institutional Banking & Finance  
Real Estate Investment Trusts (REITs)  
Senior Lending