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Considerations in Using Incremental Facilities to Finance Acquisitions

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A key feature of many modern credit agreements is an “incremental” or “accordion” provision, which can allow a borrower to increase the aggregate amount of financing available under a credit facility. The most common use of these incremental facilities is to finance an acquisition, for which they can be very quick and cost effective. Our memo explores key features of incremental provisions from the perspective of a borrower and lender looking to finance a potential acquisition.

If you have any questions regarding the matters covered in this publication, please reach out to any of the lawyers listed below or your usual Davis Polk contact.

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