



## Monetizing Bank Guarantees

### MONETIZING BANK GUARANTEES

**Bank Guarantees** are used for guaranteeing payments in a number of given circumstances. Often referred to as BG's. Bank Guarantees are worded specifically for the purpose and specifically written to the stated parties thereto. The use of Bank Guarantees is becoming increasingly common, for example in lieu of deposit payments. Applicants may opt to issue a banker's guarantee instead of parting with cash deposit. They can also be used for offsetting or deferring payments and can be used in intelligent financial structures.

**Standby Letters of Credit** (commonly called SBLC's) are used in the US in lieu of Bank Guarantees and work in a similar fashion. Neither Letters of Credit nor Bank Guarantees can be bought or sold nor are they tradable securities. Our expert banking team holds a full and complete understanding of all bank instruments, letters of credit and guarantees and is able to advise our Clients on all areas of their utilization. We can monetize your instrument with a non-recourse Program meaning you don't have to pay it back at all; funding is done within 10-15 days of full submission of all documents to us. For more information on this program fill out the entire required document's.

#### NON-RECOURSE MEANS YOU DON'T HAVE TO PAY IT BACK!!!!

\*\*\* Very Important Information – Monetizing Bank Guarantees \*\*\*

When Monetizing Bank Guarantees it is CRITICAL you get this right, there are some big traps uninformed customers fall into that cost them a lot of money or the whole deal. Work with Stanford Funding and we can help you avoid these nasty pitfalls and get your BG issued and monetized seamlessly.

**Mistake 1:** Buying a BG that is neutered – Some sneaky companies issue neutered BG's. That is a BG that can only be used for credit enhancement on a company's books but can never be monetized or traded. It's a nasty surprise you get when you realize your pristine BG delivered by MT760 to a Monetized is useless!

**Mistake 2:** Buying a BG it must say – Transferable or Assignable on it if not it cannot be monetized, If you buy a BG that is leased or and it does not say the word "Transferable or Assignable" on it. You have a worthless piece of paper you can't use! We offer you "unrestricted beneficiary ownership of the BG for a 12 month term" this gives you full monetization capability for the price.

**Mistake 3:** Procedures DON'T Match – If the delivery procedures of the BG issuer don't exactly match with the BG monetized you will never get the BG delivered because the two parties are incompatible with each other. Both parties end up blaming one another and no deal ever gets done.

**Mistake 4:** The No Bank Play – When your BG issuers' contract with you includes them sending a MT999 or MT799 from a non-bank entity to the monetizes bank entity. You've been screwed. Banks will not reply or communicate with Non-Banks or private companies. Therefore a message sent from a non-bank to a bank is ignored! The issuer then claims they delivered service and keeps your money and the monetizer claims you never communicated with them on a bank-to-bank basis.

**Mistake 5:** No CUSIP or ISIN Number – Some monetizers will only accept Bank Guarantees with CUSIP or ISIN Numbers. This means they will NOT accept a fresh cut bank guarantee, ONLY seasoned instruments. Seasoned BG's cost more and

generally are only available to be purchased from secondary owners not banks.

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