

International self-collateralized escrow loans

This is a way of financing a business in which the loan is secured not by the borrower's own collateral (which belongs to him at the time of lending), but by loss-protected transactions of loan funds (throughout all time of the use of loan, until the loan is returned to the lender) on the lender's escrow accounts and assets purchased on credit. That is, by its nature, this is the so-called Undercollateralized loan issued by the method of Cross Collateralization. And the components of Cross Collateralization are purchased for credit assets and protected working capital in trade by technology of escrow settlement.

The term for which the loan is issued and the loan amount are completely determined by the needs of the borrower. The loan rate is 4.5% per annum with quarterly or annual payment of interest, depending on the nature of the borrower's business. Maximum and minimum amounts of loan are not defined.

Business financing over the last 15 years has shown that small and medium-sized businesses are unable to collateralize loans with a sufficient number of transparent banking transactions or provide liquid collateral when obtaining loans. They also cannot apply for unsecured loans, as they are not able to ensure the security of use of credit resources at a level that would guarantee their repayment. In this situation, the risks of losing credit resources are obvious, even without prejudice on the part of the borrower. Therefore, the question arose of covering these risks by the lender and made it possible to create for the borrower such conditions under which obtaining a loan became a reality. In this situation, instead of the obligation to provide collateral or other liquid collateral, the borrower undertakes to inform its business partner that the payment for assets is made by escrow technology during the entire period of use of credit resources, which aims to provide each participant. process by secure international settlements and settlements within the country. By agreeing to use the above protection, the parties automatically accept the terms of the financial institution providing such protection.

The cost of transactions is charged in accordance with the price list of the financial institution. In the case of disputes between the parties conducting loss-protected escrow settlements, disputes are resolved through a financial institution that provides escrow accounts. The cost of the dispute resolution service is 1% of the turnover on which the dispute is conducted. This amount is charged to the account of the party to be found guilty.

The loan agreement for a self-collateralized escrow loan is paid and costs 3% of the loan amount claimed by the borrower and paid by the borrower immediately after the positive conclusion of the lender on the feasibility of financing the borrower's project. The probability of a positive conclusion is high and reaches 95% of the submitted projects according to statistics for the last 15 years. The term for consideration of the loan application is 3 calendar days.

More information on Self-Collateralized loans, Undercollateralized loans and Cross Collateralized loans can be found in the (for public available) sources below:

About Self-Collateralized loans:

<https://www.business2community.com/small-business/the-difference-between-secured-unsecured-and-self-secured-business-loans-02215245>

<https://jnzambarakji.medium.com/the-self-collateralized-collateral-redemption-and-collateralized-debt-position-coins-are-all-a6f6b9950d15>

About Undercollateralized loans:

<https://selfkey.org/undercollateralized-loans-the-future-of-defi/>

About Cross Collateralization:

<https://www.nav.com/blog/cross-collateralization-241308/>

Please visit www.globstarclub.org for more details