

Delta Air Lines | Revolving credit facility | 04-18 | \$2.65bn

Delta Air Lines has agreed a \$2.65 billion unsecured revolving credit facility. The US carrier says up to \$500 million may be used to issue letters of credits.

The revolver, agreed in late April, replaces Delta's undrawn secured Pacific revolving credit facility and 2015 revolving credit facility, both of which were terminated in conjunction with repayment of the term loans, The revolving credit facility is split evenly into a \$1.325 billion three-year facility and a \$1.325 billion five-year facility. Borrowings on both facilities bear interest at a variable rate equal to Libor plus a specified margin, says Delta.

Update: On June 29, 2020, Delta Air Lines, entered into an amendment (the “Revolver Amendment”) to the \$2.65 billion revolving credit facility dated April 19, 2018. The Amended Revolving Credit Facility contains a \$1.325 billion three-year facility, \$1.25 billion of which they extended for an additional year to April 2022, a \$1.325 billion five-year facility, which matures in April 2023, and a new \$216 million standby letter of credit facility, which matures in April 2022. Up to \$250 million of each of the three-year and the five-year facilities can also still be used for the issuance of letters of credit. Borrowings under the three-year and five-year facilities bear interest at a variable rate equal to LIBOR, or another index rate, in each case plus a specified margin. Undrawn letters of credit under the new letter of credit facility will accrue a fee equal to the specified margin then applicable to the LIBOR loans under the Amended Revolving Credit Facility. The Amended Revolving Credit Facility, which was previously unsecured, is now secured by a first lien on our Pacific route authorities and certain related assets (the “Collateral”). We also have the option of pledging aircraft, among other assets, as additional Collateral.

Update: In November 2022 Delta extended the maturity of a portion of the \$1.325 billion of the revolving loans and commitments available for borrowing under the facility from April 2023 to April 2025. The maturity of the remaining \$1.25 billion facility and the standby letter of credit facility under the Amended Revolving Credit Facility remains unchanged. Delta also changed the reference rate from LIBOR to the secured overnight financing rate (“SOFR”) and amends the applicable margins as specified therein.

Update: In November 2023 Delta increased the amount of the standby letter of credit facility to \$360,078,361.60 that matures in 3 years.

Transaction Overview

Structure

Product category: Financing
Product type: Loan
Structure Revolving credit
Sub Structure Revolving credit facility
Use of proceeds General corporate purposes

Transaction Categories

Regions:
[North America](#) | [United States](#) |

Tagged as:
[Secured](#) | [G8](#) |

Debt

\$1.325 billion three-year facility (USD 1,325.00m) 19 Apr 2018

Type: Debt
Tenor: 4 Years
Amount: USD 1,325.00m
Maturity Date: 19 Apr 2022
Duration: 4 Years

\$1.325 billion five-year facility (USD 1,325.00m) 19 Apr 2018

Type: Debt
Tenor: 7 Years
Amount: USD 1,325.00m
Maturity Date: 19 Apr 2025

Duration: 7 Years

Description: In November 2022 the maturity was extended to April 2025.

[Back to top](#)

Transaction Roles

Borrower/Issuer

Company Name	Role	Client
Delta Air Lines	Borrower/Issuer	

Banks

Company Name	Role	Client
JP Morgan	Bookrunner	
JP Morgan	Overall Arranger	
JP Morgan	Debt Arranger	
Barclays	Bookrunner	
Barclays	Debt Arranger	
Barclays	Overall Arranger	
BNP Paribas	Debt Arranger	
BNP Paribas	Bookrunner	
BNP Paribas	Overall Arranger	
Citigroup	Bookrunner	
Citigroup	Debt Arranger	
Citigroup	Overall Arranger	
Compass Bank	Bookrunner	
Compass Bank	Debt Arranger	
Compass Bank	Overall Arranger	
Credit Suisse	Bookrunner	
Credit Suisse	Overall Arranger	
Credit Suisse	Debt Arranger	
Deutsche Bank Securities	Bookrunner	
Deutsche Bank Securities	Debt Arranger	
Deutsche Bank Securities	Overall Arranger	
Fifth Third Bank	Bookrunner	
Fifth Third Bank	Debt Arranger	
Fifth Third Bank	Overall Arranger	
Goldman Sachs	Bookrunner	
Goldman Sachs	Debt Arranger	
Goldman Sachs	Overall Arranger	
ICBC	Debt Arranger	
ICBC	Overall Arranger	
Bank of America	Debt Arranger	
Bank of America	Overall Arranger	
Morgan Stanley	Debt Arranger	
Morgan Stanley	Overall Arranger	
PNC Bank	Debt Arranger	
PNC Bank	Overall Arranger	
Standard Chartered	Debt Arranger	
Standard Chartered	Overall Arranger	
Sumitomo Mitsui Banking Corporation	Debt Arranger	
Sumitomo Mitsui Banking Corporation	Overall Arranger	
US Bank National Association	Debt Arranger	
US Bank National Association	Overall Arranger	
Wells Fargo	Debt Arranger	
Wells Fargo	Overall Arranger	
CA-CIB	Debt Arranger	

CA-CIB	Overall Arranger	
Natixis	Debt Arranger	
Natixis	Overall Arranger	
CA-CIB	Joint book-running manager	

[Back to top](#)

Transaction Timeline

19/04/2018	Financial close	Delta finalises new revolver Delta amends loans with collateral and liquidity covenant Delta Air Lines amends revolver
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[Back to top](#)

Coverage

[Delta Air Lines amends revolver](#)

The credit facility amends and restates in its entirety Delta's existing credit agreement

[Delta amends loans with collateral and liquidity covenant](#)

The previously unsecured credit facility is now secured by a first lien on the airline's Pacific route authorities and certain related assets.

[Delta aims for 10% stake in Korean Air](#)

The two airlines have not always been this friendly.

[Delta borrows \\$1bn to accelerate share repurchases](#)

Speaking at JP Morgan's annual aviation, transportation and industrials conference in New York on 5 March, Bastian said that the loan taken to fund the opportunistic share repurchases will be repaid by the end of the year.

[Delta defers A350s as part of A330-900 order](#)

US carrier pushes out 10 A350s to 2025-26

[Delta takes A220](#)

The aircraft will enter service in early 2019, making Delta the fourth airline in the world to operate the aircraft.

[Strong yields sustain Delta as fuel costs rise](#)

[Delta finalises new revolver](#)

[Back to top](#)

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