

Sun Country Airlines | Commercial loan | 03-23 | \$119m | 5x737-900ER

Sun Country Airlines (US) entered into a US\$119.2 million Term Loan Facility Agreement, which will be used to acquire five B737-900ERs from an unaffiliated third-party.

Related ID: 18421

The secured loan is to be repaid monthly through March 2030.

The interest rate on the term loan credit facility is determined by using a base rate. The applicable margin during the lease term is fixed at 3.75%, and is subsequently reduced to 3.25% once the aircraft have been redelivered.

The interest rate in effect as of 31 December, 2023 was 9.2%, says the carrier.

Transaction Overview

Structure

Product category:	Financing
Product type:	Loan
Structure	Aircraft secured financing
Sub Structure	Term loan
Use of proceeds	Aircraft Purchase

Transaction Categories

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

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

Debt

Term Loan Facility (*USD 119.20m*) 21 Mar 2023

Type:	Debt
Tenor:	7 Years
Amount:	USD 119.20m
Maturity Date:	21 Mar 2030
Duration:	7 Years
Description:	The loans under the Term Loan Facility bear interest at a rate per annum equal to the term secured overnight funding rate ("SOFR") (subject to a floor of 0.00%), plus the credit spread adjustment of 0.10% per annum, plus applicable margin of 3.75% per annum during the period the aircraft are on lease and 3.25% per annum during the period the Aircraft are not on lease, or such higher rate as may be applicable due to a market disruption event or amounts being past due and unpaid. The Term Loan Facility will be subject to amortization payments, payable monthly, commencing on or about April 23, 2023.

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Transaction Roles

Borrower/Issuer

Company Name	Role	Client
Sun Country Airlines	Borrower/Issuer	

Banks

Company Name	Role	Client
UMB Bank	Debt Arranger	
UMB Bank	Overall Arranger	
UMB Bank	Security Agent	
MUFG	Debt Arranger	
MUFG	Overall Arranger	

Lawyers

Company Name	Role	Client
Milbank	Advisor	
Vedder Price	Advisor	
Al Busaidy Mansoor Jamal & Co	Advisor	
Dorsey & Whitney	Advisor	
McAfee & Taft	Advisor	
Smith Gambrell & Russell	Advisor	
Curtis, Mallet-Prevost, Colt & Mosle LLP	Advisor	

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Transaction Timeline

21/03/2023	Financial close	Sun Country to buy 737-900ERs Exclusive: Sun Country to acquire \$27m aircraft
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MSN	Quantity	Model	BodyType	Manufacturer
MSN 1234 5		737-900ER	Narrowbody	Boeing

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Coverage

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Minnesota-based carrier buys aircraft from lessor

[Exclusive: Sun Country to acquire \\$27m aircraft](#)

US carrier details financing on last year's acquisitions

[Sun Country a step ahead of tightening used aircraft market](#)

Carrier has fleet needs mostly sourced through to 2025.

[Sun Country to buy 737-900ERs](#)

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