

Top 10 Practice Tips: Medium-Term Notes

A Practical Guidance® Practice Note by
Bradley Berman, Ross Clements, and Marc Leong, Mayer Brown LLP



Bradley Berman
Mayer Brown LLP



Ross Clements
Mayer Brown LLP



Marc Leong
Mayer Brown LLP

The practice note outlines key considerations for legal counsel involved in establishing and managing a medium-term note (MTN) program. It explains the strategic benefits of MTNs for issuers with ongoing financing needs, emphasizing the efficiency of using pre-agreed documentation and streamlined issuance processes. It discusses the cost-benefit analysis of setting up an MTN program versus conducting discrete offerings, particularly in relation to the frequency of issuances. The document details the operational mechanics

of MTNs, including quarterly due diligence, document delivery, and the use of dealer-for-a-day agreements to involve additional banks in specific issuances. It also highlights the importance of monitoring issuance limits set by offering documents or board resolutions. Various issuance formats are explored, such as syndicated offerings, reverse inquiries, and retail MTNs, each with unique documentation and procedural requirements. Retail MTNs, in particular, are noted for their survivor's option and their role as a supplementary funding source. The document further explains how non-SEC reporting entities can issue MTNs under exemptions like Rule 144A or through global MTN programs. It concludes by addressing settlement differences between MTNs and corporate bonds, the use of master notes for frequent issuers, and the need to keep offering documents current with evolving market standards and regulatory expectations.

Click [here](#) for full access to this Practical Guidance® document.

Bradley Berman, Counsel, Mayer Brown LLP

Bradley Berman represents domestic and non-US issuers on domestic and international securities offerings of structured products linked to equities, commodities, interest rates, currencies and other underlying assets. Bradley has extensive experience with exchange-traded notes. He advised Royal Bank of Canada and RBC Capital Markets LLC on the first exchange-traded note issued by a Canadian issuer into the United States and has since advised Royal Bank of Canada and another Canadian issuer on multiple exchange-traded notes. He also represented a large non-US frequent issuer on all of their exchange-traded notes for three years. Bradley regularly advises issuers and dealers on the creation of proprietary indices. Bradley represents issuers on their shelf registration statements and medium term note programs and issuances exempt from registration under Regulation S, Rule 144A or Section 3(a)(2). He has worked on many bank note issuances by state and national banks. Bradley also advises broker-dealers on the FINRA communication rules and suitability issues. His work previously involved capital-raising debt and equity transactions for large bank holding companies, including several common stock issuances. He has extensive experience with negotiating underwriting, distribution and dealer agreements and related deal documents, including indentures.

Recently, Bradley advised an issuer on establishing a registered structured warrant program, including post-effectively amending their registration statement to add a new class of warrants and drafting the issuer's first warrant indenture.

Bradley regularly advises large financial institutions on transitioning their medium-term and other rates-linked programs from LIBOR to SOFR, including setting up their programs with the latest SOFR interest rate provisions.

Bradley is co-author of *Considerations for Foreign Banks Financing in the United States* (2012; updated 2014, 2016), published by *International Financial Law Review*. The *IFLR1000* 2024 guide ranks him as an "Expert Consultant" for Capital Markets: Derivatives in the US. He is also ranked by *Chambers USA* 2024 for Capital Markets: Structured Products. *The Legal 500 US* recommends Brad as a key lawyer for Structured Finance: Derivatives & Structured Products.

Ross Clements, Associate, Mayer Brown LLP

Ross Clements advises financial institutions and other domestic and non-US issuers on debt securities offerings that are registered under the Securities Act or are exempt from registration under Regulation S, Rule 144A or Section 3(a)(2). He helps clients with the ongoing setup, maintenance and operation of structured note and certificate of deposit programs and the ongoing maintenance of, and issuances under, covered bond programs. Ross also helps clients in the negotiation of distribution agreements, dealer agreements and other related deal documents.

Ross previously worked as an in-house counsel for an international bank. During that time, he provided legal coverage for the bank's structured products distribution business.

Marc Leong, Associate, Mayer Brown LLP

Marc Leong is an associate in Mayer Brown's New York office and a member of the Corporate & Securities practice.

This document from Practical Guidance®, a comprehensive resource providing insight from leading practitioners, is reproduced with the permission of LexisNexis®. Practical Guidance includes coverage of the topics critical to practicing attorneys. For more information or to sign up for a free trial, visit [lexisnexis.com/practical-guidance](https://www.lexisnexis.com/practical-guidance). Reproduction of this material, in any form, is specifically prohibited without written consent from LexisNexis.
