

Fund Finance Friday



Government Shutdown Impacts Fund Finance

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On December 21, 2018, a partial shutdown of the United States federal government commenced because Congressional lawmakers had not passed full-year appropriations bills or continuing resolutions extending current funding levels. Thus, federal agencies had to discontinue all non-essential discretionary functions until new funding legislation is passed and signed into law. Interestingly, this has now impacted fund finance. Multiple AIV and qualified borrower joinders have been held up because the fund sponsors have not been able to obtain tax identification numbers from the Internal Revenue Service, a prerequisite to satisfying bank KYC requirements.