
Hughes Hubbard & Reed

Firm Pilots \$30 Million Loan to Air Lease for Airbus A320

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Hughes Hubbard represented Cathay United Bank (CUB), one of the largest commercial banks in Taiwan, as lender in a \$30 million secured loan financing for one new Airbus A320-200 aircraft that will be leased to China Eastern Airlines, one of the country's top three carriers.

A special purpose subsidiary of Air Lease Corporation (ALC), one of the fastest growing aircraft leasing companies in the world, served as borrower for the November 2012 transaction while ALC fully guaranteed the obligations of the borrower.

The secured loan has a tenor of approximately six years; the operating lease term is 12 years. The transaction was the first of its kind between CUB and ALC, as ALC seeks to expand its pool of relationship banks to include financial institutions in East Asia, one of its fastest-growing markets.

Steve Chung, Jason Kaplan, Robyn Morris and Christine Lamsvelt worked on the deal for CUB.

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Steven I. Chung

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