

## STANDBY LETTER OF CREDIT REQUEST

Please issue an irrevocable standby letter of credit in favor of (*Seller Corporation*), (hereinafter the "Beneficiary"), (Full Address).

This credit covers the obligations of (*Buyer Company*, Full Address) to (*Seller Corporation*). Each drawing to be available by presentation of Beneficiary's draft drawn on (*Bank Name, Branch*) at (*Term*) up to a maximum aggregate total of all drawings of USD xxx,xxx.xx (United States Dollars xxxxxxxxxxx maximum), to be accompanied by the following documents:

1. Beneficiary's statement, purportedly signed by an authorized officer, certifying "The Invoice(s) has been presented to (XYZ Company) and (XYZ Company) has failed to pay such invoice(s) within 60 days after date of invoice."
2. Copy of invoice(s) indicating total shipment value, plus interest in the amount of \_\_\_\_ percent based on total shipment value (in accordance with letter agreement dated xx/xx/xx between *Seller Corporation* and *Buyer Company*), for a total invoice value.

Drafts must clearly specify the letter of credit number. Documents must be presented within the validity of the credit. This standby credit expires at the counters of (Issuing/Negotiating Bank Name, Branch) on (Month, Day, Year). Partial drawings are permitted. All banking charges in the U.S. are for the account of the applicant. This Letter of Credit is subject to UCP 500, 1993 Revision.

(*OPTIONAL*) CONFIRMATION: This standby letter of credit is to be confirmed by (Bank Name, City, State).

(*OPTIONAL*) AUTOMATIC REDUCTION CLAUSE: It is a condition of this letter of credit that the amount available for drawing will be reduced without amendment (less amount of any previous drawings hereunder) upon presentation by (Name of Company) of the following document: Beneficiary's statement purportedly signed by an authorized representative of (Name of Company) certifying that: "We have received payment from (XYZ Company, City, State) for a shipment under Contract Number \_\_\_\_\_ valued at (Amount in Numbers and Words) and request (Issuing Bank, Branch) to reduce the value of Letter of Credit Number \_\_\_\_\_ by the same amount."