

TRAVEL AND HOSPITALITY

Lockdown-impacted Marriott International amends cobranded credit card deals to raise \$920M

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The Ritz-Carlton Aruba in the Caribbean. Image credit: Ritz-Carlton

By LUXURY DAILY NEWS SERVICE

Marriott International, the world's largest hotel group and owner of the Ritz-Carlton and St. Regis brands, has raised \$920 million in cash by amending its existing cobranded credit card agreements with financial services firms JPMorgan Chase & Co. and American Express.

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The Bethesda, MD-based firm will use the additional liquidity to firm up its balance sheet as the group's hotels are shuttered in most markets worldwide, including North America and Europe.

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Of the total raised, \$570 million will come from Chase and \$350 million from American Express.

Per the company, the \$570 million from Chase includes \$500 million of prepayment of certain future revenues and \$70 million from the early payment of a previously committed signing bonus under the cobranded credit card agreement.

The \$350 million from American Express is for the pre-purchase of Marriott Bonvoy points and other consideration.

Marriott will record the cash as deferred revenue in both cases, making the amount available for general corporate purposes.

Both amendments include extensions of the existing cobranded credit card agreements, so they continue to be co-terminus, Marriott said.

Meanwhile, the company said it has also terminated the \$1.5 billion 364-day revolving credit facility commitment it had announced April 14, the capacity of which was substantially reduced as a result of the Series EE senior notes offering the company completed on April 16.

MARRIOTT'S CASH INFUSION comes two weeks after the hospitality group introduced a global cleanliness council

to promote higher standards of cleanliness as the COVID-19 coronavirus outbreak ravages the travel and tourism business.

The Marriott Global Cleanliness Council will focus on developing enhanced global hospitality cleanliness standards, norms and behavior designed to minimize risk and boost safety for guests and Marriott associates ([see story](#)).

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