

Case History – A

Asset Type → Mixed Use Retail

Debt → \$23MM – Commercial Mortgage Backed Securities (CMBS)

Resolution Focus: Maturity Default

Case

A large and successful Southern Californian developer attempted to renegotiate the terms of their loan with a CMBS special servicer. The project was a finished state-of-the-art mixed-use development in Southern California. The client wanted a term extension and a release from the LTV covenants.

Proceeding thorough legal, bankruptcy and economic analyses of both the asset and client, it was obvious to us that the litigation and bankruptcy leverage points were unsatisfactory. We chose to concentrate on an economic approach.

Resolution

Negotiations often take months. However, in this case, we completed negotiations in less than 60 days. We were able to get **a 4-year extension**, and a **200 basis point interest rate reduction - saving the client \$1.4mm over the life of the loan.**

Offentimes, it is just a matter of having **strong representation** along with a couple **leverage points** to convince a lender to concede to reasonable terms.