

COVID-19 | Considerations for Lenders

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We understand the global pandemic is affecting lenders in myriad ways, including both in their own businesses as well as their borrowers. Over the past several weeks, we have received countless inquiries from clients regarding the impact COVID-19 has had on their outstanding loans and borrowers. As such, we thought it would be helpful to

provide a list of questions that you may wish to consider:

1. Existing loan agreements – are your borrowers affected by the crisis and are they in compliance with their financial covenants and conditions?
2. Are your borrowers in compliance with covenants related to insurance, permit compliance, developmental rights, construction progress, relationships with landlords/bailees, and intercreditor agreements?
3. Are there particular industry-specific problems unique to your borrowers affected by the crisis?
4. Are there any governmental and/or healthcare issues that could be affecting your borrowers?
5. If there is a deficiency, what are your rights and obligations? How will you address the deficiency and a borrower's request for advances or modifications to the loan?
6. Will the deficiency result in litigation and, if so, how can you avoid it?

In answering the questions above, we know that you may need assistance. Please know that our Financial Services attorneys are available to consult with you around the clock as we realize the effects of COVID-19 are rippling through the world at a rapid pace. Each member of our team regularly represents lenders and financial services clients and we are further aided by the expertise of our partners who represent clients in compatible industries and disciplines and whose experience is also available to you.

Most of all, we wish you, your family, friends, and colleagues good health. We are here to support you in any way possible as you navigate this uncharted territory.