

51st Annual Mortgage Lending Institute

Loan Modification Agreements
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Commercial Mortgage Loan Modifications



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Events leading to loan modification

- Loan maturity without ability to payoff or refinance
- Event of default remaining uncured



Remedies

- Foreclose



Remedies

- Deed in Lieu
(hand in keys)



Remedies

- Work it out



Loan Modification Agreement

- Memorializes agreement to amend a loan to:
 - Extend maturity date
 - Change interest rate
 - Pay expenses
 - Pay forbearance fee or modification fee
 - Pay down principal
 - Provide additional collateral
- Enables the loan to stay in place

Other agreements on the modification map

- Pre-negotiation letter
 - Ensure borrower performs timely and in good faith
- Forbearance agreement (standstill agreement)
 - Ensure lender does not exercise remedy of foreclosure
 - Allow sufficient time to complete
 - due diligence
 - modification negotiations
 - execution of documents

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[2017 Commercial Real Estate Lending Hot Topics](#)

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