



***WORKOUT, FORECLOSURE,
DEEDS IN LIEU,
RECEIVERSHIPS AND OTHER
JUDICIAL AND NON-JUDICIAL
REMEDIES***

1



Introduction
History of Workouts
Investigation Process
Remedies and Reactions
Foreclosures and Remedies
Receivership
Conclusion

2



INTRODUCTION

What is the problem?

- Maturity
- Performance Covenant
- Monetary (Payment)
- Non-Monetary(Obligation)
- Financial Covenants

What are the possible solutions?

Is the borrower, guarantor or capital sponsor the proper person to effect such solutions?

3

HISTORY OF WORKOUTS

- It is helpful to understand the history of workouts so as to properly identify the issues and risks for the current workout experience.
 - Workouts in the 80's and early 90's
 - The Roaring 90's
 - 911 Realignment 2001-2004
 - Post 911 Resurgence
 - 2008-2010 Recession
 - 2010-Recovery and Expansion
 - 2020-COVID
 - 2023-2024-Inflation and Rising Interest Rates

4

WORKOUTS IN THE 80'S AND EARLY 90'S

- The workouts in the 80's and 90's were an unpredictable acrimonious environment.
- This was the result of many factors.
- The loans were generally full recourse for the borrower and the individual principal of the borrower.

5

THE ROARING 90'S

- For the greater part of 90's and the beginning of the 21st century, the capital and lending departments evolved dramatically.
- The interest rates dramatically lowered and the economy grew to an extent that the real estate industry enjoyed rising values due to actual economic parameters and not artificial tax structures.
- The CMBS market was created and produced the most efficient capital delivery system in the history of commercial real estate industry.

6

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