



## VIDEO SERIES: How Banks Think About Loan Defaults: Lessons for Borrowers in Troubled Times

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**10.27.2020**

Seven months into the COVID-19 pandemic, concerns remain that the economy is not achieving a V-shaped recovery, and many businesses and industry sectors continue to struggle. Companies are understandably focused on their outstanding debt, and many business chiefs are taking a close look at their loan terms to spot any that have become problematic or could do so in the near future. These CEOs and CFOs are starting to think about the need to talk to their lenders about possible solutions.

We have put together a video series for commercial borrowers that we hope will educate and enlighten them about that process. In it, we bring together our Financial Services attorneys who have an active lender practice with our Corporate attorneys who represent the businesses that have commercial loans. Our goal in this four-part series is to help borrowers with troubled loans better navigate the current crisis and have more effective dealings with their lenders. We believe both sides are better served by dispelling some of the myths and showing that positive outcomes truly are possible.

The series begins with a discussion of the psychology that borrowers often experience and what they can do to communicate more productively with their lenders. Next up is the mechanics of loan defaults and how banks respond to them. The series culminates with an overview of forbearance agreements, which provide a new roadmap for the borrower/lender relationship.

Thank you for joining us on this video journey!

Click on the links below to view the video series.

- **16:38 min.** | In **Part I**, we discuss the understandable emotions that come into play, helpful and unhelpful reactions and best practices for borrower-lender communication.
- **21:38 min.** | In **Part II**, we address the formal stages of defaults, and what defaults mean for lenders.

- **22:08 min.** | In **Part III**, we describe how banks respond to defaults, including the range of remedies a lender may pursue.
- **19:15 min.** | In **Part IV**, we summarize the structure of forbearance agreements, their relationship to existing loan documents, and how they form the basis of a new pathway to success for borrowers and lenders.

Click **here** for more videos on how your company can expand its customer base, increase its value, decrease cost, create efficiencies, leverage tax credits and economic development incentives, and mitigate risk.

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