



Recent Good News for Borrowers!

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Just updating you on some recent positive news for borrowers, especially those with CMBS loans – please see below and don't hesitate to reach out if you'd like to discuss your needs with us:

1. **Oregon recently passed a state-specific COVID-19 mortgage assistance program into law.** The new law mandates that Oregon-regulated banks and mortgage servicers take several steps to assist borrowers suffering hardships related to COVID-19. The new law also prevents special servicers/lenders taking certain negative actions against defaulting borrowers who were previously performing prior to COVID.

2. **Bills have been introduced in both New York and California to mandate forbearance relief for impacted borrowers.** Bill No. S8454A in New York requires NY regulated institutions to make applications for forbearance available to qualified commercial mortgage borrowers and to grant forbearance for a period of 90 days. These bills have not been passed but are gaining traction.

3. **HOPE Act** – this bill was recently introduced into Congress. If passed in its current form, the bill would provide borrowers, who have been hit economically by COVID-19, financial assistance through the HOPE Preferred Equity lending facility. Guaranteed by the Department of the Treasury, financial institutions will originate preferred equity instruments to borrowers. The bill also includes a number of additional advantages and protections for commercial real estate borrowers.

Lucrum Realty continues to actively help borrowers obtain relief from CMBS servicers and lenders. In particular, we are able to get our clients in front of special servicers on an expedited basis. We have successfully obtained loan relief and modifications for clients, including forbearance relief; use of reserves to pay for debt service; waivers of breaches of DSCR covenants to avoid cash traps; pausing cash traps for clients and obtaining reimbursements of funds that were withheld from our clients.



As a former CBRE executive who handled loan modification and restructuring efforts, I'm proud to be part of the Lucrum team. Lucrum advises and represents owners/borrowers and lenders on the process for obtaining/granting debt relief, loan modifications and workouts, as well as pursuing other options to recapitalize real estate assets that would benefit from additional equity infusions. Lucrum has particular experience on CMBS loan modifications and has extensive experience working with the leading servicers. Check out www.lucrumrealty.com for more information.

Please reach out if we can assist you or your clients.

Best regards and stay safe.

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