

Debt Advisory Services

PROPERTY

Mixed Use – Office & Retail

LOCATION

Chicago, IL

LOAN TYPE

Securitized First Mortgage

SITUATION

- Property is a mixed use project of office and retail in a suburban Chicago location. There were disputes arising over the property escrows. This resulted in a default under the tax reserve. Additionally, forced place insurance was required and the lender incurred legal fees. The loan had a monetary default on the maturity date due to the inability to refinance the loan.

RESOLUTION

- A one year extension was achieved. Borrower paid certain default expenses but no default interest. The interest rate was maintained. Lockbox was instituted and a cash sweep was put in place. Reserve funds were replenished and all excess cashflow went to amortization and reserves. A 1% extension fee was paid. The process took 90 days.
- The property was refinanced 30 days after the lock box was instituted and the lender was repaid in full.