



Where to Hand in the Keys

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By Ann Hambly

So many conversations I have with commercial real estate owners start out with this statement; "I just want help handing in the keys" and it is said with a defeated tone in their voice.

The sad thing is that these owners have so many options and they simply don't know them! By the time they realize they need help, they have often been told "no" so many times they think "no" is the ONLY answer available to them!

The saddest part of CMBS is that owners still don't really understand that these loans don't work like a typical bank loan. They are governed by a set of IRS regulations that have steep penalties if violated. Servicers cannot afford to make a wrong move, so they - rightly so - error on the side of caution.

However, there **are** options! It is possible to get a "yes" under the right circumstances! An owner should never "hand in the keys" out of defeat but only when they have made the business decision to do so. Make sure the correct loan restructure has been attempted.

Owners do need to understand that to effectively restructure a CMBS loan, you **need** CMBS REMIC knowledge and experience. Without that specific knowledge and experience, the answer will likely always be "no."