

Non-Performing Loans

Non-Performing Loans (NPLs) create both challenges and opportunities: challenges for those lenders who are faced with potential losses when a loan defaults, and opportunities for those parties who are prepared to acquire NPLs and take on the challenges created.

Whether you are a lender looking to mitigate a potential loss suffered on a NPL, or a buyer or seller of a NPL or portfolio of NPLs, Edwin Coe has a highly experienced team of lawyers with the necessary specialisms required to advise on all aspects of the NPL journey.

Our clients including high street lenders, debt funds, specialist lenders, institutional investors, private equity companies and loan servicers.

Drawing on the experience of lawyers in our Finance, Restructuring & Insolvency, Real Estate, Corporate and Litigation teams, we are able to provide a full service to those involved in holding, selling, buying, funding or administering NPLs. These services include:

- **Advising NPL sellers on the sale process, from setting up data rooms to executing the sale**
- **Advising NPL buyers on the acquisition process, from carrying out due diligence on the defaulting loan/loan portfolio to executing the acquisition**
- **Advising funders and borrowers, in relation to the financing of NPL acquisitions**

- **Advising lenders who hold NPLs, and buyers of NPLs, on all aspects of the 'loan workout' process, including advising on consensual and non-consensual loan restructurings, security enforcement, receiver and administrator appointments, and loan-to-own strategies**
- **Advising on litigation arising from NPLs, including advising lenders holding NPLs on their balance sheets, loan servicers who are administering NPLs and NPL buyers on all manner of litigation relating to NPLs including pursuing claims against professionals involved in the loan origination process, enforcing guarantees, pursuing claims against negligent construction professionals and pursuing claims against solicitors and valuers involved in the loan origination process**
- **Advising on litigation arising between buyers and sellers of NPLs**

We work closely with market leading litigation funders and insurers in order to provide a cost-free risk-free solution to litigation associated with NPLs.

We work on loans advanced in all sectors, with a particular expertise in working on transactions involving loans secured on real estate, including retail, office, logistics, hotels and leisure.

Examples of our team's work

Transactions

- Advising a private equity company on the acquisition of a portfolio of NPLs secured on commercial properties in the UK, which included loans secured on offices and mixed use properties.
- Advising in relation to the acquisition of a c£300m portfolio of NPLs secured on UK shopping centres.
- Advising a UK bank in relation to the sale of a number of portfolios of distressed residential mortgages.





Loan Restructuring and Loan Workout

- Advising a private equity company on a loan-to-own strategy associated with a portfolio of NPLs secured on UK commercial properties, resulting in the client taking ownership of the properties, and advising on the subsequent asset management, development and sale of those properties.
- Advising a loan servicer on a c£40m non-performing loan secured on a UK office building, which ultimately resulted in a discounted pay-off being agreed with the borrower and the refinancing of the facility with another lender.
- Advising a UK clearing bank on their loan to a distressed care home business, operating across multiple locations, including advising on the enforcement of the bank's security.
- Advising a UK clearing bank on a distressed loan provided to Europe's leading digital cinematography and hire facility business, including advising on the enforcement of its security and advising on the subsequent equity investment into the borrower's business.
- Advising a German bank on the restructuring of two £30m loan facilities secured on a portfolio of mixed use properties and hotels. The restructuring involved refinancing part of the portfolio, consolidating and cross-securing the remaining facilities and taking security over a number of other properties owned by the borrower.

- Advising a mezzanine lender on the restructuring of a warehouse facility provided to it by its lender following various covenant breaches.

Litigation

- Advising the administrators of an insolvent lender in relation to a large number of professional claims brought against a mixture of valuers and solicitors relating to losses suffered on a portfolio of bridging loans secured on UK property.
- Advising a NPL buyer in relation to a multi-million pound claim brought against a negligent construction professional under a collateral warranty which was provided to the original lender.
- Advising a loan servicer on a c£30m claim against a valuer arising out of a defaulting loan, which was held within a CMBS structure, the claim involving novel issues relating to the standing of the parties to pursue the claim.
- Advising a debt fund on a breach of warranty claim against a UK bank following the acquisition of a large portfolio of NPLs secured by second charges on residential properties.
- Advising a NPL buyer in relation to a multi-million pound directors' misfeasance claim which resulted in significant funds, which should have been used to repay the debt, being dissipated.

Our Team

If you would like further information please contact a member of the team:

For individual profiles please visit our website: www.edwincoe.com.



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