

INSIGHTS + NEWS

Lender Liability During COVID-19 (Webinar)

Strapped for cash and finding themselves in loan default, many borrowers are asking their lenders to forbear, or extend further credit, and often both. Lenders want to do the right thing, while maintaining flexibility and insulating themselves from further risk. What to do?

In the context of working out distressed loans, lenders need to understand the rights and remedies set forth in their loan documents and to act commercially reasonably with their customers. A lender's agreement to forbear from exercising remedies will require the borrower to meet operational and transactional milestones. As lenders mull restructuring proposals and decide whether to act (or refrain from acting), they should be mindful of actions that may violate their duty to act commercially reasonably and of potential lender liability.

On this [Worcester Regional Chamber of Commerce](#) Financial Services Roundtable webinar, Mark Powers and David Mawhinney, attorneys at Bowditch, discussed basic loan work-out strategy and some of the more common lender liability theories.

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11AM – NOON

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