

Reduced Appraisals Threaten Status Quo

September 25, 2020

Carlton Fields' Executive Director – Financial Services Consulting Brian Olovson was quoted in a *Commercial Mortgage Alert* article about the influx of lower appraisals on properties backing securitized debt. Special servicers continue to work their way through troubled CMBS loans, and the appraisal reductions are expected to impact the relationship between B-piece investors, special servicers, and operating advisors in loan workouts. In particular, it is anticipated that B-piece buyers could be appraised out. In that instance, they are able to challenge the appraisal and request a second appraisal. "If you're a controlling-class representative and you've been appraised out, it's worth it to pursue that second appraisal," said Olovson. "The only circumstance in which a B-piece holder might not appeal is they're so far out of the money that they don't think a new appraisal would help," opined Olovson, referring to cases where the combination of prior and potential realized losses would wipe out most of the controlling class. [Read the article.](#)

Featuring



Brian Olovson

Related Practices

[Institutional Investment and Finance](#)
[Real Estate](#)

Related Industries

[Real Estate](#)

