

# April Fool's Day 2020: No Joke for Borrowers, Loan Servicers

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Carlton Fields' Executive Director – Financial Services Consulting Brian Olasov was quoted in a *Commercial Property Executive* article, “April Fool's Day 2020: No Joke for Borrowers, Loan Servicers,” about the impact of the coronavirus crisis on the commercial real estate industry. Due to the pandemic, the CMBS and collateralized loan obligation markets may experience late or missed payments, forcing a chain reaction that leads to forbearance or transferring to special servicers for workouts. There will then be questions swirling regarding the servicing standard that occurs when a loan is eventually restructured while similar loans are foreclosed. “The agreements that servicers must follow require that decisions are made with respect to each mortgage loan,” said Olasov. “The servicer must apply its reasonable business judgment to maximize recoveries and minimize losses to bondholders. It can be argued that blanket responses across disparate loans don't comply with that requirement, even if the end decision is the same.” [Read the article.](#)

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Brian Olasov

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