

OVERVIEW

COMMUNITY BANKING



In response to the increasingly complex, competitive and uncertain business climate within the banking industry, Murtha Cullina has built an interdisciplinary practice group that focuses on the particular needs of multi-bank holding companies and community banks. Our team includes professionals who concentrate in bank regulatory work; commercial and real estate lending; workouts and restructurings; sale of bank assets and loans; creditors' rights and bankruptcy; mergers and acquisitions; product development and expansion; and general corporate and securities law. In addition, we assist banking clients in establishing, capitalizing and restructuring banks and bank holding companies to meet the changing regulations in the industry. Together, the Community Banking attorneys provide banks, thrifts and other financial institutions with a comprehensive spectrum of specialized legal services.

SERVICES

Loan Workout

Loan Restructuring

Lending

Bankruptcy

Environmental

Labor and Employment

LENDING

We represent community banks – as well as regional and national banks – in structuring, negotiating and closing financial transactions of many kinds and sizes, including secured and unsecured loans, receivable-backed, real estate financings and other asset-based transactions. We assist at every stage, providing advice regarding transaction structures, term sheets and covenants, handling due diligence, participating in negotiations and documenting transactions. Our lawyers regularly assist on transactions relating to housing developments (including both market rate and affordable rental housing utilizing low income housing tax credits and tax exempt financing) that involve state housing finance and other sources of specialized financing such as the Connecticut Development Authority, the Connecticut Housing Finance Authority, the Connecticut Health and Education Facilities Financing Authority, MassHousing and MassDevelopment. In addition, we represent clients in connection with a variety of real estate-based loan transactions, including construction mortgage loans, mortgage loans involving New York Industrial Development Agency (IDA) structures, permanent mortgage loans, credit mortgage loans, New York building loans and the unique issues associated there with and open-end mortgage transactions involving revolving and multiple tranche credit facilities and letter of credit reimbursement agreements for office, regional retail mall and strip center, hotel, resort, warehouse, industrial, golf course, and assisted living and healthcare facilities.

LOAN WORKOUT/LOAN RESTRUCTURING

In recent years the number of defaults of both commercial and residential loans has multiplied exponentially. In this current economic climate, lenders and counsel are becoming “creative” in approaching workout situations. The procedure is technically the same as it was “pre-recession”, that is, default, demand, then litigation. The difference is ultimate collectability. Default litigation must be handled with care and knowledge of the remedies afforded by the loan documents. Each lender relies upon its own documents.

A seasoned litigator in Murtha Cullina's Community Banking Group will review the terms contained in the loan documents to assess the value of collateral and the potential for recovery from sources other than the secured collateral. For example, is there a better source of recovery via a guarantor, does a receiver of rents make sense? Can a lender structure a settlement wherein terms are modified and additional security is provided?

Today's workouts involve creative thinking, i.e. modifying loans to extend maturity dates, restructuring interest rates, and "back-ending" past-due interest payments. Utilizing our extensive familiarity with the FDIC's Prudent Commercial Real Estate Loan Workouts Policy, our bank litigation attorneys assist lenders in reviewing all angles and in undertaking strategic business tactics to maximize recovery via workout or eventual litigation. If litigation is unavoidable, we begin by undertaking an analysis of the ultimate collectability of a defaulted loan and then build the strategy from there.

ADDITIONAL SERVICES

Our Community Banking Group also has experience with bankruptcy, environmental issues and labor and employment issues. For more information please contact one of our Community Banking Attorneys.

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With offices throughout Connecticut, Massachusetts and New York, Murtha Cullina LLP offers a full range of legal services to meet the local, regional and national needs of our clients. Our practice encompasses litigation, regulatory and transactional representation of businesses, governmental units, non-profit organizations and individuals.

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ATTORNEYS AT LAW