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Spencer Fane Team Provides Lenders Advice on Confirming Cross-Collateralization Language in The Show-Me Banker

Spencer Fane attorneys Zach Fairlie and Jason Kathman recently co-authored an article for *The Show-Me Banker*, a bimonthly publication from the Missouri Independent Bankers Association.

In the Legal Eagle Spotlight feature, Interest Rate Pressure and Risk Of Defaults Dictates Review Of Collateral And Loan Documents, Zach and Jason outline why lenders, especially those with multiple loans to the same borrower or affiliated borrowers with different kinds of collateral, would be wise to check in on the status of their collateral and loan documents and, if necessary, shore up any discovered issues due to the current high-interest rate environment.

The authors share, "Lenders should first review their loan and collateral documents to ensure that their documents are consistent with their understanding of the collateral package. Likewise, care should be taken to check that the liens granted in the collateral documents have been properly perfected, that the lenders have proof of the proper filings and that there have been no lapses in the UCC filings. Finally, lenders should check and test the financial covenants in the loan documents to understand the effects of the present economic environment on their borrower and their collateral."

At Spencer Fane, Jason represents clients in bankruptcy proceedings and litigation, helping them win favorable outcomes so they can concentrate on running their businesses. He works with clients in a wide variety of industries, with a focus in hospitality, manufacturing, restaurant, and oil and gas industries. Zach represents creditor and debtor clients in complex corporate reorganizations and distressed

asset sales in court-supervised processes and out-of-court restructurings – principally those involving balance sheet, environmental, labor, and mass tort litigation issues throughout a wide variety of industries.

Read the article here and the full *Show-Me Banker* issue here.