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PRACTICE AREAS

Lending Transactions

"Purchases of Bank Loans by a Borrower or its Sponsor" by Nicholas Whitney

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Can a borrower repurchase its own loan at a discount in today's volatile secondary market? Because many bank loans now trade below par, a borrower (or a borrower's equity sponsors) may be tempted to purchase the borrower's loans in the secondary market. When determining if a credit agreement permits a borrower or its sponsor to purchase a borrower's loans in the secondary market, parties need to focus their review on a surprising number of unrelated sections of a credit agreement. This memorandum below, written by our partner Nick Whitney and our associate Doug Plante highlights these sections of a credit agreement.

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