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News & Insights

Schneider Explores Insolvency Issues and Opportunities in *Colorado Real Estate Journal* Guest Column

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In "Opportunities despite bankruptcy and tightening credit," Stinson LLP Partner Lucas Schneider provides the *Colorado Real Estate Journal* with insight into the wake of anticipated rising bankruptcy filings. He details the signs to watch for and what changes and opportunities in the real estate market may be on the horizon.

"As interest rates increase and the tide of rising property value recedes, equity cushions level off," Schneider writes. "Lenders know that controlling costs and risk are essential when relying on favorable loan to value for either quickly flipping a distressed loan or as a cushion for losses are no longer an option."

He continues, "We expect to see lenders requiring, among other things, more diligence surrounding down payments, lien waivers, and bonding, among other pre-closing and construction loan management practices."

Additionally, Schneider highlights opportunities for investors who planned for difficult times. "Presuming all necessary due diligence is arranged and the appropriate legal process is followed, an opportunistic investor may spot a favorable asset in bankruptcy and purchase the same, free and clear of all liens and encumbrances, at a fortunate price."

Schneider is an accomplished litigation and transactional attorney with a practice focused on helping lenders, telecoms, and insurers in bankruptcy, receiverships, workouts, insolvency transactions, and complex litigation. He helps clients maximize cost-effective recoveries, and has litigated receivership cases, preference and fraudulent transfer claims, administrative claims, cure payments, stay and discharge violation claims, and exceptions to discharge, from New York to California.

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Read the full guest column.

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