When the Deal Goes Bad:

Be Ready to get Wet Without Taking a Bath
Objectives

- You will understand how documentation and details can defend or derail a collection effort
- Follow through with all action perfectly and securely
- The covenants, major or minor, matter
The Challenge

What has been your “Deal gone Bad?”
About NWRPC and affiliates

- Cover 10 counties in NW Wisconsin
- Over 10,927 square miles
- Approximate population 179,000

As an advocate for Northwest Wisconsin, NWRPC is a leader, a coordinator, and an advisor. This is accomplished through implementation of our core functions of planning, community development, and economic development.

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Document, Document, Details…

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Documentation

- Application and Personal Financial Statements
- Notes, Agreements and Resolutions
- Deeds, Mortgages, GBSA/UCC, Assignment of Rents, Assignment of Life Insurance, etc.
- Guarantees (can be a guarantee)
- File in order and spell all names correctly
Covenants: Major and Minor

- Annual Financial Reporting and Surveys
- Job Creation/Retention Surveys
- External Credit Approval
- Relocation

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Covenants:
Minor Defaults = Cash Penalty

- Covenant Based Fees for Late or No action (reports, statements, etc.)

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Case Studies

Collection in Action: A Loan Manager’s Guide 2
½ years in the making
How to Get Wet without Taking a Bath (Historical Perspective)
A Little Light on the Subject

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Political Dilemma (but with a guarantee)
A Dahlia You Can’t Refuse

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Out of Gas, Not out of Order
Small Claims or Lawyer Needed?
Judgements (Foreclosure, Replevin, Money, Summary, Satisfactions, Settlement or workout)
Is it worth it, or do you wait it out?
  Mortgage lien, write-off, costs vs benefits
The Solution

How could you have handled your “Deal gone Bad?” in a better way?
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Thank you!

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NWRPC and its affiliates are equal opportunity providers, employers, and lenders.