

SPECIAL ASSET STRATEGIES:

Borrower assisted sales are a viable work-out strategy for servicers and lenders when a borrower is willing to be helpful through negotiations and continue to preserve the asset. Given the risk and liability that is assumed once title is transferred, borrower assisted sales can provide an acceptable disposition result when aggressive marketing strategies are provided during the process. If implemented correctly, values can be maximized in a shorter time period without the added costs of ownership, management, operating costs, and additional legal and foreclosure fees. One of the best tools to accomplish a borrower assisted sale is a forbearance agreement. By clearly defining the responsibilities of each party and including the requirement of the borrower to aggressively market the property, the lines of communication can be effectively established providing a framework for a sale without the risk and costs of foreclosure.

For example, RBC recently worked through a forbearance agreement on a 64,000 facility at the corner of Peachtree Industrial Blvd and Jimmy Carter Blvd in northeast Atlanta requiring the borrower to market [the property](#) for sale. The national brokerage company the borrower first hired secured no offers. Then Bull Realty was engaged to [market](#) the property and within 3 months secured 7 offers from investors and users. The property was “retailed” for \$3,200,000 and RBC achieved their goal to maximum asset value. The note was paid off without the lender being in the chain of title and with no associated foreclosure or ownership cost.

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