

**Alert | Health Emergency Preparedness Task Force:
Coronavirus Disease 2019**



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Commercial Real Estate Finance Council Issues Guidelines for CMBS Borrowers

On March 31, 2020, the [Commercial Real Estate Finance Council \(CREFC\)](#) issued guidance for borrowers who need to communicate with their commercial mortgage-backed securities (CMBS) loan servicer and request relief where there has been a major disruption to cash flow and property operations as result of the COVID-19 pandemic. The guidelines are the result of discussions among CREFC's constituent members, including the leading master and special CMBS loan servicers, bond investors, private equity firms and the rating agencies, and provide tips and best practices for streamlining the process.

The guidelines strongly encourage borrowers to contact their servicers in writing as expeditiously as possible – i.e., before missing a debt service payment, to request relief and the nature of the relief that they are requesting. According to the guidelines, when contacting the servicer, a borrower should include the most recent rent roll, current financials, property operating statements and information regarding the anticipated change in tenancy, i.e., correspondence from tenants indicating that they are vacating or can no longer meet their lease obligations, and any other financial circumstances regarding interruptions to cash flow. Borrowers should be prepared with a plan to resolve identified issues, including plans for the repayment of any forbearance.

For CMBS borrowers seeking relief from federally backed agencies due to the impact of COVID-19, Fannie Mae and Freddie Mac released their own independent guidelines. See [Fannie Mae](#) and [Freddie Mac](#) guidelines.

For more information and updates on the developing COVID-19 situation, visit [GT's Health Emergency Preparedness Task Force: Coronavirus Disease 2019](#).

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