

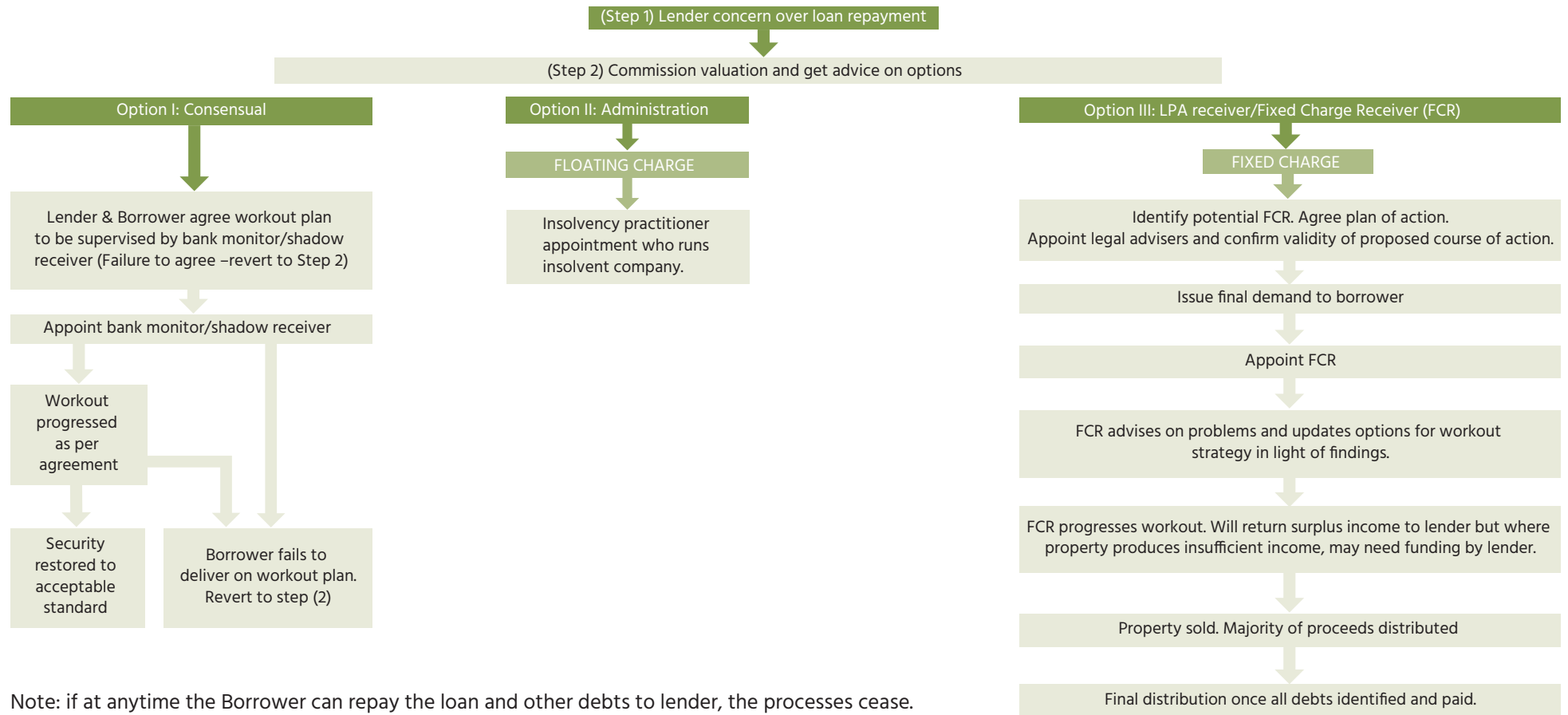
# AN INTRODUCTION TO FIXED CHARGE (LPA) RECEIVERSHIP

December 2020

## OVERVIEW

- Fixed Charge (Law of Property Act “LPA”) receivership offers lenders a route to recovering a non-performing loan when it is secured by a fixed charge over a real estate asset.
- Appointee(s) (usually 2 individuals acting jointly) can be property professionals who are well-placed to work the property to maximise value and so maximise loan recovery.
- Limited legal constraints: this option is quicker and cheaper than administration or liquidation where a lender has the choice of enforcement options.
- Lenders will look for appointees to be chartered surveyors who are members of NARA and registered property receivers, to provide reassurance that best practice is followed.
- Where formal enforcement is not desired, the same individuals are well-placed to act as bank monitors (“shadow receivers”) to negotiate and / or oversee a workout strategy agreed to by the borrower.
- Fixed charge receivership is not always the right answer; some situations are best addressed through administration; an experienced fixed charge receiver will be able to advise where this is the case.

# SUMMARY OF ENFORCEMENT OPTIONS



Note: if at anytime the Borrower can repay the loan and other debts to lender, the processes cease.

## GERALD EVE'S VALUE RECOVERY OFFER

- Experienced team who advise on potential enforcement options (formal or consensual) led by two Partners, both registered property receivers and Fellows of NARA.
- Large team of valuers – well-placed to advise on properties where lenders are concerned over values, or the value that can be expected as a result of proposed works.

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