

# The Paley Rothman Blog

Paley Rothman shares this library of resources with clients and friends of the firm to help them stay ahead of legal and business developments and trends. Here, you will find helpful tips and tools written by our attorneys. The information in the blogs and articles is not a substitute for legal advice and should not be relied on as such. Should you have any questions or want legal advice, please contact the attorney who wrote the blog or article.

## **COMMERCIAL LANDLORDS FACE DIFFICULT DECISIONS AS CLOSURES SPUR TENANTS TO SEEK RENT RELIEF**

As Maryland, the District of Columbia, and Virginia approach the two-month mark of mandatory business closures, the shockwaves from the COVID-19 pandemic are being felt by the entire economy. Although the plight of tenants has captured the headlines, commercial landlords also find themselves facing difficult decisions.

## **ASSISTANCE FOR SMALL BUSINESSES UNDER THE CORONAVIRUS AID, RELIEF AND ECONOMIC SECURITY ACT**

On March 27, 2020, Congress passed the Coronavirus Aid, Relief, and Economic Security Act. The CARES Act includes a number of provisions benefiting small businesses. We summarize some of those provisions for you here.

## **NEW HVCRE RULES MAY ALLOW BORROWERS TO REDUCE BORROWING EXPENSES**

New HVCRE rules may allow borrowers to reduce borrowing expense and free up cash.

## **UNLICENSED ADVISOR COSTS BROKER ITS COMMISSION**

In April of this year, Jones Lang LaSalle Americas, Inc. ("JLL"), one of the world's largest commercial real estate brokerages, learned the hard way that one employee's lack of a real estate broker's or salesperson's license can cost millions of dollars. JLL's fate presents a cautionary tale for brokerages that use the services of unlicensed professionals in connection with leasing and sales transactions.

## **NON-RECOURSE MORTGAGE LOANS MAY NOT BE NON-RECOURSE**

Commercial mortgage-backed securities (CMBS) or Conduit loan borrowers would likely be startled to learn that their so-called "non-recourse loans" may not be non-recourse after all when there is a payment default. Contrary to what Conduit borrowers would reasonably believe they had bargained for, a simple payment default (not caused by any fraud, misapplication of funds or other "bad boy" acts) could result in full borrower responsibility for repayment of any deficiency.