

# 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 employees.

## **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.

## **CLARIFICATION ISSUED FOR TAX SAVINGS ON NET RENTAL INCOME FOR PASS-THROUGH ENTITIES AND INDIVIDUALS**

If you have rental income that you report on your personal tax return, be sure to review these new guidelines with your tax advisor to see if you qualify for deductions against that income.

## **CLIENT ALERT: CT CORP. OUTAGE COULD RESULT IN SERIOUS IMPLICATIONS FOR CLIENTS**

UPDATE (5/14/19): As of Tuesday, May 14, CT Corp. reports that all of its applications have been fully restored and are back online. CT Corp., which is a major provider of Registered Agent services for thousands of businesses nationwide, has been experiencing a massive system outage since Monday, May 6, 2019.

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

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

## **WHAT?! LANDLORD LOSES \$2.5 MILLION IN RENT FROM DEFAULTING TENANT**

Your tenant is delinquent in rent payments and in default, possibly due to financial trouble. As landlord, you want to declare him in default, terminate the lease and seek payment of accrued past and recovery of future rent for the remainder of the term. Your lease remedies for default terms provide for a cumulative and disjunctive shopping list of lessor's rights allowing recovery of the premises by re-entry, re-letting, termination of the defaulting lessee's lease AND recovery of past due rent and future rent for the balance of the lease term.