

Derek Ladgenski Discusses Risk Profiles for Restaurant Loans and Impact of COVID-19 on the Tourism Industry

June 29, 2020

Commercial Finance partner Derek Ladgenski discussed risk profiles for restaurants and how the coronavirus (COVID-19) pandemic is impacting banks and private credit firms' lending to the franchise and restaurant industries with *S&P Global*'s “Market Intelligence” series.

The coronavirus has made full-service, sit-down restaurants, and the finance companies that lend to them, most vulnerable, whereas “quick service” or “limited service” restaurants have been able to remain open and are more easily manage operations with social distancing requirements in place, limiting losses for banks that focus on these types of establishments.

Full-service restaurants that have implemented new practices during the pandemic, such as spreading out tables, stricter cleaning measures and printing single-use menus, will have increased costs and continue to struggle.

Derek said lenders have required less leverage, higher equity contributions and fewer borrower-friendly legal provisions when considering new deals.

“People who know the space are well-positioned to come out of this OK. They don't know when it's going to be OK or how long it'll take, but they know lending is a partnership,” he explained.

CONTACTS

For more information, contact your Katten attorney or any of the following attorneys.



Derek F. Ladgenski
+1.312.902.5485
dl@katten.com

Attorney advertising. Published as a source of information only. The material contained herein is not to be construed as legal advice or opinion.

©2026 Katten Muchin Rosenman LLP.

All rights reserved. Katten refers to Katten Muchin Rosenman LLP and the affiliated partnership as explained at katten.com/disclaimer.