Partners Mark Simon and David Dlugie Quoted in *Chicago Lawyer* on Continued Impact of the Subprime Crisis

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Mark Simon and David Dlugie, partners in the firm's Real Estate Practice, were quoted in a *Chicago Lawyer* article on the continued impact of the subprime credit crisis on different segments of the economy, including commercial real estate. In the article, Mr. Simon notes that one problem “is that a lot of the loans investment banks made were commercial loans with the intention of converting them to securities. They can't do it now because there's so much turbulence in the market, they're stuck holding them. So big banks are sitting on a huge inventory of mortgages they can't sell, so they don't liquidate to make new loans.” Mr. Dlugie also says that, “There still have not been a great deal of defaults or workouts. Those loans that were made were not fundamentally bad—the property still supports the loan, but I see it coming back to a liquidity issue. A financial institution making a $1 billion loan was confident they could carve up the loan into pieces and sell it—they might have held $200 million, and sold $800 million of it within 30 days of closing. But the number of buyers of loans has decreased, so you have to think twice and line up buyers ahead of time.” (“The Credit Crunch Moves Dramatically Beyond Wall Street,” December 2007)

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