

Hatfield Philips enforces €159m securitised loan



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Hatfield Philips has enforced a €159m loan that was part of a pool held in the Credit Suisse originated Titan Europe 2006-1 commercial mortgage backed securities (CMBS) vehicle.

The special servicer enforced the "Mangusta Loan" this week. It is the second largest loan in the €723.3m Titan Europe 2006-1 CMBS and is secured on 13 properties providing office, retail, residential and hotel accommodation across Germany. Tenants include major retailers, hotel chains and German government departments.

The loan was originated in 2005 and due to mature in July 2012. The enforcement follows the borrower transferring its interest in the loan from German domiciled entities to an Austrian domiciled entity and the acceleration of the loan.

Hatfield Philips said that once it had discovered that the borrower had transferred its interest in the borrowing entities from German domiciled entities to an Austrian domiciled entity, it acted swiftly to enforce the loan.

"The realisation of enforcement rights based upon German Law in Austria requires a much longer time frame and is more costly than similar enforcement processes in Germany and therefore could have disadvantaged the ability of the lenders to enforce their rights," it said.

"Hatfield Philips has successfully brought German insolvency proceedings against the relevant Austrian company. Over the coming weeks Hatfield Philips will be working with the preliminary insolvency administrator, who is in position of the infinite administrative power, in order to reach an agreement regarding the administration and management of the assets of the Austrian company and a possible disposal strategy in respect of the underlying properties."

It said that it was also *"investigating what further legal steps may be taken regarding unfulfilled obligations of the sponsor."*

Christian Daumann, managing director at Hatfield Philips, said: *"Domiciliary of borrowers' interest is critically important when looking at the actions that we can take on behalf of lenders. Jurisdictions across Europe can have significantly different legal procedures which can fundamentally impact on the ability to restructure or enforce on loans and therefore we needed to take prompt and decisive action when the loan was accelerated and we found out that the borrowers had sought to move the loan interests from Germany to Austria."*

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