

Commercial Real Estate Slow To Complete Libor Transition

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Zach Samton is quoted in *S&P Global* discussing how the U.S. commercial real estate industry is handling the Libor transition. The article explains how lenders have been approaching borrowers to amend loans and include fallback provisions so that Libor loans will automatically transition to Sofr by the phase-out deadline. While on the other hand, the transition still has not been addressed for some Libor loans and there has not been a rush to transition.

"Most Libor loans are relatively short term in nature — about three years — and it could also be the case that many lenders expect Libor borrowers to have paid their loans off before the deadline," Zach stated.

"I'm more worried about rising interest rates than I am about the transition from Libor to Sofr. Libor to Sofr has been smoother than most of us thought it was going to be," Zach adds.

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