



BANKING

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# Loan Books for Sale

by **Richard Curran, Gerry Halpenny**

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**10th September 2013** | by Richard Curran, Gerry Halpenny

In the middle of the night back in February 2013 the Irish Bank Resolution Corporation Act 2013 (the IBRC Act) was passed by the Irish government. This Act allowed the Irish Minister for Finance to make a Special Liquidation Order winding up IBRC, being the former Anglo Irish Bank and Irish Nationwide Building Society. As a consequence of that KPMG in Dublin were appointed as Special Liquidators of IBRC.

The liquidation is now coming to a head in that the process involving the sale of around €22 billion of bank assets by the Liquidators, which is due to be completed by the end of the year, commences next Monday 16 September 2013. The loans have been packaged into different portfolios comprising:

Irish-originated corporate loans to trading entities (which are the first to be offered for sale);

- UK-originated commercial real estate loans;
- former Irish Nationwide mortgages; and
- Irish-originated commercial real estate loans.

Borrowers have already been written to to inform them of which category of portfolios their loan falls into. Most loans are being offered for sale in large loan portfolios. However in some instances, where there is a rationale for doing so, the loans are packaged in smaller portfolios based on the relationship between borrowers and the nature of the underlying loans and security.

If bids are not received to the satisfaction of the Liquidators then they are obliged to sell the loans to NAMA which will happen no later than 31 December 2013 or as soon as practicable thereafter. Confidential independent valuations of the relevant assets have been obtained by the Liquidator and the assets are only to be sold at or above those valuations.

IBRC have indicated that the process will involve indicative bids, best final bids and then sale. As such the timelines are clearly very short. The Liquidators have also indicated that they will of course accept repayment of all loans at par value in settlement of all debts and indeed they are encouraging borrowers to do so.

**Should you or your clients have any interest in hearing more about this process or would like us to contact KPMG in Dublin on your behalf please do contact either Richard Curran at [rcurran@kshields.ie](mailto:rcurran@kshields.ie) or Gerry Halpenny at [ghalpenny@kshields.ie](mailto:ghalpenny@kshields.ie).**

## About the Authors



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### **Gerry Halpenny**

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Gerry is regarded as a leading M & A practitioner in the Irish market and features prominently in the various independent legal directories.

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