

FINANCIAL SERVICES

Navigating COVID-19: Top Issues for Financial Services

Manatt's industry-leading financial services team is helping clients navigate the COVID-19 pandemic's challenges, including uncertainty in the capital markets, changing regulations, economic disruption and drops in consumer confidence. We are here to help you manage and thrive during these difficult times.

Key Issues to Consider

Navigating CARES Act and Other Government Lending Programs

The Issue: Through the CARES Act and other legislative and executive actions, the federal government is deploying trillions of dollars to shore up capital markets and businesses and to restore consumer confidence. These programs are being rolled out expeditiously, often with little guidance on key operational details.

How Manatt Can Help: Manatt is closely following the federal and state economic relief programs, including the SBA Paycheck Protection Program, Main Street Lending Program and others. We are advising on eligibility requirements, rules and regulatory approvals, and helping to deploy the new loan products.

Dealing With Financial Regulators and Regulatory Issues Arising From COVID-19

The Issue: Regulators are closely monitoring financial institutions and other consumer-facing companies during the COVID-19 pandemic. History shows they are likely to second-guess the decisions made during the crisis. It is critical for financial services companies to align with regulatory expectations as they navigate this difficult situation.

How Manatt Can Help: Manatt has extensive experience dealing with state and federal regulators and with advising on how to balance business objectives against the risk of regulatory sanctions. We are here to help clients make the right decisions, interface with regulatory agencies, avoid common mistakes and document decisions.

Addressing Financing Issues Arising From COVID-19

The Issue: Increased borrower defaults are impacting credit facilities, forward flow agreements, securitizations and other financing arrangements. Companies using these structures may face adverse changes in their financial condition, giving lenders and investors the right to freeze, modify or even terminate the financing.

How Manatt Can Help: Manatt has considerable experience in corporate finance transactions and fund formations and can provide strategic guidance, renegotiate financing, and litigate or arbitrate disputes if necessary. We can also navigate the "new normal" for Form ADV-filing investment advisors and advise on complex broker-dealer issues.

Resolving Contract Performance Disputes Caused by COVID-19

The Issue: Governmental closure orders and social distancing measures make it challenging for companies to perform their obligations. Companies with outsourced key functions (e.g., loan servicing or call center support) may be severely impacted when vendors cannot perform due to pandemic concerns or governmental orders.

How Manatt Can Help: Manatt is actively addressing these issues for multiple clients across numerous jurisdictions. We have extensive experience analyzing and litigating contract terms and doctrines implicated by the inability to perform, including force majeure, commercial impracticability, impossibility and frustration of purpose.

Addressing Borrowers' Inability to Pay Caused by COVID-19

The Issue: Public safety measures to slow the spread of COVID-19 are impacting the ability of both consumer and commercial borrowers to make loan payments. It is imperative that lenders move quickly to mitigate losses from the downturn while simultaneously ensuring full compliance with applicable law and regulatory expectations.

How Manatt Can Help: Manatt is actively assisting clients with distressed lending situations ranging from workouts of individual commercial credits to portfolio-wide modification and forbearance programs for consumer loans. Manatt also is handling bankruptcy matters and advising on related regulatory issues.

Facing Public Company, Capital Markets and M&A Pressures From COVID-19

The Issue: The pandemic is forcing re-evaluation of planned M&A transactions while also creating new buying opportunities. Companies may need to raise capital while preserving strategic options. The SEC is looking for refreshed COVID-19-related risk factors and MD&A disclosure, particularly around liquidity and capital resources.

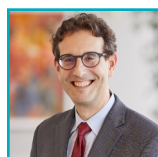
How Manatt Can Help: As a trusted advisor to the financial services industry, Manatt brings decades of experience to the capital markets and mergers and acquisitions fields, representing issuers and underwriters in countless transactions.

Leveraging New Opportunities Created by COVID-19

The Issue: Although the COVID-19 pandemic is causing substantial economic harm, it also is creating opportunities to introduce, expand, or implement new financial products and services, particularly those that facilitate banking and borrowing remotely, such as mobile and web-based applications.

How Manatt Can Help: Manatt is widely recognized for its industry-leading fintech practice, including assisting clients with product development, implementation and financing.

We're Here to Help:



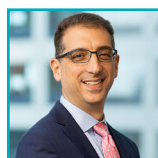
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