

**Insights**

## **CREDIT BIDS**

Nov 26, 2020

### **SUMMARY**

#### **What is a credit bid?**

In certain circumstances, a secured lender can 'bid' its secured claim against the purchase price in a sale of the secured assets. The secured lender can compete with cash bids for the collateral, bidding up to the face value (principal and accrued unpaid interest) of its secured obligation. Rather than paying cash for the collateral, the secured lender can offset the purchase price by the value of its outstanding claim against the collateral.

[Read the Restructuring and Insolvency team's update >](#)

### **RELATED PRACTICE AREAS**

- Restructuring & Insolvency/Special Situations

## MEET THE TEAM



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