

Restructuring Debt Securities: Options and Legal Considerations - October 2008

October 31, 2008 | Client Update

While the current worldwide economic slowdown and credit crunch have limited refinancing options for companies which have previously issued debt securities, the recent decline in secondary market prices for debt securities has presented an opportunity for companies to restructure their debt on more favorable terms. By repurchasing their debt securities for cash or exchanging them for new securities, companies may be able to retire their existing indebtedness at less than the original face value and reduce the related interest costs. This memo outlines some basic legal considerations for companies considering such a debt restructuring.

If you have any questions regarding the matters covered in this publication, please reach out to any of the lawyers listed below or your usual Davis Polk contact.

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