

# Around the Water Cooler

Chicago Lawyer's blog outpost

[HOME](#) [ABOUT US](#)



[← Inside Perspective: Dodd-Frank — what the heck?](#)

## Q&A on the receivership process

Posted on [January 10, 2011](#) | [Leave a comment](#)

John Fitzmaurice of JCF Real Estate is a 20-year veteran of the receivership process. This information is based on a seminar that John and his team presented to a group of attorneys. He has been a court-appointed receiver since the early 1990s and has handled hundreds of property assignments.

### **1. What is the current economic climate for residential and commercial foreclosures?**

Residential foreclosures will continue to increase in number throughout the foreseeable future. Commercial foreclosures, now in their infancy stages, will continue for another three to five years. The underlying cause being that the value of the majority of these properties with loans due to mature between now and 2015 does not support the outstanding loans.

### **2. Does the judge's temperament differ for residential and commercial?**

While a difference between how a judge treats commercial versus residential remains to be seen, it is clear that many judges are taking an activist's role in the treatment of residential foreclosures. The process tends to be owner favored with judges becoming increasingly creative. In some instances judges have even been willing to enable the current lenders to rework the terms and sell the loan while it is still in the receivership process.

SEARCH

ABUZZ ON THIS BLOG

- [Q&A on the receivership process](#)
- [Inside Perspective: Dodd-Frank — what the heck?](#)
- [View from the Classroom: Common law learning](#)
- [Q&A with Amy M. Rubenstein](#)
- [Leveraging Your Reputation: PR 2.011](#)
- [Q&A with George McAndrews](#)

EMAIL SUBSCRIPTION

Enter your email address to subscribe to this blog and receive notifications of new posts by email.

 ATTORNEYS IN TRANSITION

- [Surviving the economic climate](#)
- [Say less, let the interviewer ask more questions](#)

### 3. What is the role of the court-appointed receiver?

A court-appointed receiver is responsible for the management of a property assignment until the lender ultimately takes possession of the title. In other words, until the foreclosure is complete, a receiver manages all aspects of the property including tenants, maintenance, and budgeting.

### 4. What is the relationship of the receiver to the court?

A court-appointed receiver has full fiduciary responsibility to the court and must answer to the court.

### 5. What is the receiver's role to the lender and to the borrower?

The receiver's role is to oversee the property in the best interest of both the lender and the borrower. In other words, the receiver must manage the property and maximize the value of the property.

### 6. In what situations does a receiver need to retain an attorney?

A receiver typically retains an attorney if the property is of a significant size or generates a substantial amount of income. In many instances, a receiver can rely on the lender's attorney as it is more cost-effective for the property under assignment.

### 7. With the amount of receiverships happening, and the number of people offering receiver services, what sets a good receiver apart from the rest?

The most obvious characteristic that sets a qualified receiver apart from the rest is experience. An experienced receiver has handled numerous assignments, is familiar with the process, understands the court system and is often recommended by other attorneys and/or financial institutions. Additionally, an experienced receiver understands how to best work with both the borrower and the lender while effectively managing the property. This often includes the involvement of an experienced staff of professionals that assist the receiver throughout the receivership process.

Share this:  [StumbleUpon](#)  [Digg](#)  [Reddit](#)  [Tweet](#)

 [Email](#)  [Print](#)  [Facebook](#)

▪ [Out with the old and in with the new](#)

---

#### FROM THE ANNALS

---

- [January 2011](#) (4)
  - [December 2010](#) (12)
  - [November 2010](#) (13)
  - [October 2010](#) (12)
  - [September 2010](#) (11)
  - [August 2010](#) (13)
  - [July 2010](#) (11)
  - [June 2010](#) (13)
  - [May 2010](#) (11)
  - [April 2010](#) (12)
  - [March 2010](#) (11)
  - [February 2010](#) (8)
  - [January 2010](#) (9)
  - [December 2009](#) (7)
  - [November 2009](#) (10)
  - [October 2009](#) (13)
  - [September 2009](#) (11)
  - [August 2009](#) (11)
  - [July 2009](#) (12)
  - [June 2009](#) (10)
  - [May 2009](#) (10)
  - [April 2009](#) (13)
  - [March 2009](#) (12)
  - [February 2009](#) (10)
  - [January 2009](#) (10)
  - [December 2008](#) (12)
  - [November 2008](#) (9)
  - [October 2008](#) (12)
  - [September 2008](#) (8)
  - [August 2008](#) (11)
  - [July 2008](#) (10)
  - [June 2008](#) (11)
  - [May 2008](#) (11)
-