

Fund Finance Friday



From NAV Cures to a New Chapter

June 26, 2026

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Final Cadwalader Issue of Fund Finance Friday

June 26, 2026



By **Wes Misson**
Co-Managing Partner



This issue marks the final *Fund Finance Friday* you'll receive from Cadwalader. Starting next week, *Fund Finance Friday* will arrive in your inbox carrying the Hogan Lovells Cadwalader branding.

Rest assured, you will continue to receive the market-leading intelligence and insights that have guided you for eight years. And we're excited to enhance *Fund Finance Friday* with the addition of the Hogan Lovells team's expert perspectives from around the globe.

We encourage you to follow our new our [Hogan Lovells Cadwalader](#) LinkedIn page and [subscribe here](#) if you'd like to receive *Fund Finance Friday* via LinkedIn.

We'll see you in July!

Mandatory Prepayment Cure Plans in NAV Facilities

June 26, 2026



By **Susan Bumgardner**
Counsel | Fund Finance

NAV facilities typically measure risk level using the ratio (the “LTV Ratio”) of the loan principal to the value of the eligible assets supporting the borrower’s loan obligations (the “Eligible Assets”). When negotiating the terms of a NAV credit facility (often at the term sheet phase), one critical point of negotiation is the maximum permitted LTV Ratio (the “Maximum LTV Ratio”). If at any time during the term of a credit facility the LTV Ratio exceeds the Maximum LTV Ratio (a “Maximum LTV Breach”), the borrower may be required to make a prepayment to cure the Maximum LTV Breach (as further described below).

A Maximum LTV Breach may occur as a result of, for example, a reduction in the value of one or more Eligible Assets, the occurrence of an adverse event with respect to one or more assets (such as bankruptcy or a legal or regulatory proceeding) causing such asset to be deemed ineligible to support the borrower’s loan obligations, the application of concentration limits on the Eligible Assets or a complete or partial sale or realization of one or more Eligible Assets. When a mandatory prepayment is required in connection with the occurrence of a Maximum LTV Breach, these credit facilities may permit a borrower to follow an approved plan of action to bring the LTV Ratio back into compliance over an extended period of time (which may be necessary given the illiquid nature of the borrower’s assets).

This article will explore a few key features of mandatory prepayment cure plans and how we often see these points negotiated between lenders and borrowers in credit facility documentation. In addition to the features discussed below that we commonly see, we also see borrowers and lenders negotiate bespoke terms for these cure plans, which may be tailored to a specific borrower and its portfolio.

Mandatory Prepayment Cure Plans and the Cure Period

Typically, the occurrence of a Maximum LTV Breach constitutes a mandatory prepayment event under the credit facility documentation, requiring the borrower to make a prepayment of the outstanding loans in an amount sufficient to cure the Maximum LTV Breach within a specified number of days (which may be extended to align with any capital call mechanics in the borrower’s organizational documents if the borrower provides evidence to the lender within a specified number of days that it has called capital from its investors in an amount sufficient to cure the Maximum LTV Breach) from the date that the Maximum LTV Breach occurred (or in some cases, the earlier of knowledge by the borrower of the Maximum LTV Breach and receipt by the borrower of notice from the lender of the Maximum LTV Breach). However, as noted above, in some transactions the borrower may be offered an opportunity to submit a plan of action to the lender setting forth in reasonable detail the actions that the borrower proposes to take to cure the Maximum LTV Breach (a “Cure Plan”).

If a Cure Plan is submitted and approved by the date that the mandatory prepayment resulting from the Maximum LTV Breach would have become due and payable (such date, the “Cure Plan Deadline”), the borrower may have an additional specified number of days from the date that the Cure Plan was approved in order to comply with the Cure Plan and cure the Maximum LTV Breach (such period of time during which the Cure Plan is in effect, the “Cure Period”). If either (i) no Cure Plan is submitted to the lender by the Cure Plan Deadline or (ii) the borrower’s proposed Cure Plan is rejected, the mandatory prepayment will typically become due and payable (a) in the case of clause (i), on the Cure Plan Deadline or (b) in the case of clause (ii), within a specified number of days from the date that the borrower received notice that its proposed Cure Plan was rejected. If at any time during an ongoing Cure Period the LTV Ratio further increases, such increase will ordinarily constitute a new mandatory prepayment event requiring a separate Cure Plan.

How Do You Cure?

To cure a Maximum LTV Breach, the borrower will need to restore the LTV Ratio to below the Maximum LTV Ratio or, on some transactions, to no greater than a specified target LTV Ratio (the “Target LTV Ratio”). We often see both the Maximum LTV Ratio and the Target LTV Ratio step down incrementally over time as a credit facility gets closer to maturity.

In order to reduce the LTV Ratio, a borrower generally has two options: (i) reduce its loan obligations by making a payment or (ii) increase its Eligible Assets, which may require approval by the lender. A Cure Plan may include actions

reasonably expected to accomplish one or both of these options.

Approval Standard

In most bilateral credit facilities that permit the borrower to submit a Cure Plan for a mandatory prepayment resulting from a Maximum LTV Breach, the borrower will submit its proposed Cure Plan to the lender, the lender will review and discuss any necessary changes with the borrower, and the lender may accept or reject the proposed Cure Plan in its discretion. In the case of a rejection, the borrower may be given the ability to propose an alternate Cure Plan for approval.

For syndicated facilities, the same approach is generally taken but the agent is responsible for review and approval or rejection of any proposed Cure Plan, most often acting at the direction of the lenders or a certain subset of the lenders.

Following the Cure Plan

During a Cure Period, the borrower is typically required to keep the lender reasonably informed of its pursuit of and progress towards the Cure Plan. If at any time while a Cure Plan is in effect the lender determines that (i) the borrower is not keeping the lender reasonably informed of its pursuit of the Cure Plan, (ii) the Cure Plan can no longer be implemented, (iii) the borrower is not diligently pursuing the execution of the Cure Plan or (iv) the Cure Plan is no longer reasonably likely to result in the Maximum LTV Breach being cured by the end of the Cure Period, the lender may terminate the Cure Period by notice to the borrower and the borrower will be required to pay the mandatory prepayment within a specified number of days from the borrower's receipt of such notice; however, some transactions will permit the borrower to instead propose a new Cure Plan within such specified number of days.

If on the last day of a Cure Period the borrower has not sufficiently cured the Maximum LTV Breach, the mandatory prepayment will be due and payable on such date. The credit facility documentation should make clear that if such mandatory prepayment is not paid on the last day of the Cure Period, an event of default has occurred in connection with the borrower's failure to make a payment of principal on the loans.

Angie Batterson Looks Ahead to Cadwalader's Next Chapter

June 26, 2026



In an excerpt from a column she penned for the Cadwalader Alumni Network, partner and Management Committee member Angie Batterson looks ahead to the upcoming merger with Hogan Lovells.

I am a partner and member of the Management Committee who joined Cadwalader four years ago to broaden the capabilities of its Fund Finance practice. I was drawn to the firm due to its track record of excellence in fund finance and its dominant position advising financial institutions and insurance companies. I also had deep respect for the attorneys I knew at the firm—namely Wes Misson, George Pelling, Brian Foster, and Patrick Calves—and for the clients they served.

My practice focuses on insurance company solutions. I'm proud to be a part of a team that, over the past five years, has represented many of the largest life insurance companies in deploying more than \$60 billion of assets in over 150 transactions.

Looking ahead, I'm extremely excited about the merger with Hogan Lovells. The combined firm, Hogan Lovells Cadwalader, will be launching shortly on July 1.

In my role as co-chair of the firm's Strategy Committee, I was very involved with Hogan Lovells' selection as our merger partner. We spent considerable time with their management team and in short order it was apparent that both firms share an aligned culture built on excellence, teamwork, and ambition.

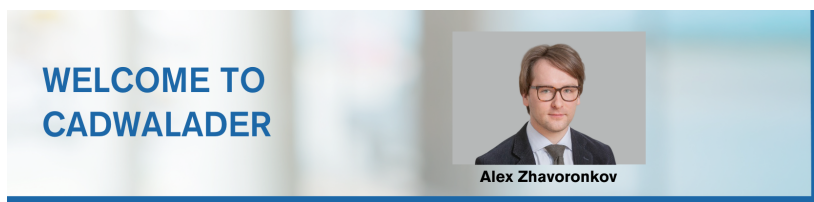
The more we peel back the onion, the clearer it is that Cadwalader will fit seamlessly into Hogan Lovells' global platform, positioning us to provide top-tier counsel in the most sophisticated and lucrative legal and financial markets across the globe. The merger greatly expands our platform, allowing us to meet client needs in areas we previously could not—such as data privacy counsel and international regulatory advice.

I'm privileged to have been named to the 13-member global board of the combined firm. In that capacity, I will strive to ensure that Hogan Lovells Cadwalader preserves the supportive, trusting, and collaborative culture that you helped create—one that consistently delivers exceptional results for its clients.

The next chapter in our firm's more than 230 year history begins on July 1, and we're excited to build on the foundation of excellence our alumni community shaped. We'll carry forward what you built.

Welcome to Cadwalader!

June 26, 2026



Please join us in welcoming Alex Zhavoronkov to Cadwalader!

Alex Zhavoronkov recently joined Cadwalader as an associate on the Fund Finance team in London. Alex previously worked at a leading global law firm where he advised on fund finance subscription and hybrid facilities.

Alex earned his MA in Law from the Russian School of Private Law and his BA in Law from the Higher School of Economics.

Register for FFA University 2.0

June 26, 2026



Register now for FFA University 2.0, taking place on Thursday, September 10 at Cadwalader's New York office. We are a lead sponsor of the full-day event, which is designed specifically for mid-level bankers, lawyers and fund treasury professionals.

FFA University 2.0 will explore complex structures and advanced concepts actively shaping today's fund finance market. Sessions will address liquidity management in semi-liquid structures, NAV lending and underwriting, rated note feeders and collateralized fund obligations, alongside insights into the private equity business model and bank balance sheets, culminating in a practical, end-to-end transaction case study.

Cadwalader Partner Angie Batterson will serve on a panel focusing on rated note feeders and collateralized fund obligations.

Event Information

- Date: Thursday, September 10
- Time: 9:00 a.m. - 7:00 p.m. ET
- Location: Cadwalader, Wickersham & Taft | 200 Liberty St, New York
- Cost: USD \$795

View the agenda and **register now** to secure your spot at the September 10 event. Space is limited and the event will sell out quickly.

Fund Finance Hiring

June 26, 2026

Fund Finance Hiring

Here is who's hiring in fund finance.

Cadwalader, Wickersham & Taft LLP is seeking associates with three to six years of relevant experience for its Fund Finance practice in New York, Charlotte or London. Qualified candidates will have experience in syndicated lending, commercial lending, leverage finance, fund formation, CLOs, asset-based lending, NAV financings or acquisition financings. Candidates must possess excellent academic credentials and solid legal experience. Selected candidates will get extensive interaction with preeminent bank, asset manager and lending clients. If interested, [please email Margaret Cart](#).

HSBC Innovation Banking is seeking a Vice President - Coverage Relationship Management, Strategic Solutions in London. The position reports to the Head of Coverage and the individual will be responsible for developing and managing relationships with a portfolio of sophisticated Private Equity, Private Credit and Venture Capital clients, supporting the Debt Finance team with the structuring of fund finance solutions, and managing the transaction process, including capital call facilities, NAV lines and Co-Invest/GP financing solutions. Candidates must have strong prior and relevant experience leading client relationships and delivering banking and fund finance lending solutions. Learn more [here](#).

Partners Group is seeking a Fund Financing Lead in London who will be responsible for all fund finance related aspects of the direct and secondaries strategies as well as evergreen products across Partners Group's Equity, Infrastructure, Private Debt, Real Estate and Royalties asset classes. The role will include independently structuring and negotiating financings across different funds/products and asset classes and proactively generating value-enhancing ideas and solutions for products/funds and leading the implementation. Candidates must have 10+ years of fund financing and/or capital markets experience in a leading bank, asset management firm or law firm. Learn more [here](#).

The **Fund Finance Association**, after nearly 12 years of fostering engagement and collaboration in the fund finance industry, is seeking its inaugural Chief Executive Officer. Spencer Stuart, a global executive search and leadership advisory firm, is assisting with this recruitment. Applications and inquiries may be directed to Spencer Stuart at FFACEO@SpencerStuart.com.

Stifel is seeking a Director/Managing Director of Fund Banking (Fund Finance). This individual will be the lead business development position for New York City and surrounding northeast geographies and will be focused on building new Fund Banking/Fund Finance business with VC/PE firms and being the senior relationship manager to those firms. Learn more [here](#).

Redding Ridge Asset Management, which was established and seeded by Apollo Global Management, is seeking an Associate, CLO Structuring to join the firm's dynamic Structuring & Advisory team, supporting both its market-leading global CLO issuance business and other platforms within the Apollo ecosystem utilizing securitization technology. Learn more [here](#).