

## In The News

# Carol Faber Explains Recent Rise in Distressed Debt Funds to *GlobeSt*

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Carol Faber, co-chair of Akerman's Distressed Property Practice, explained the recent rise in distressed debt funds in an interview with *GlobeSt*. Faber noted an uptick in fund managers, lenders, private equity firms, and institutional investors getting ready for the next economic downturn by raising distressed debt funds.

"People are thinking what goes up must come down," Faber said. "And yet nobody knows when that is. But I think the smart money says, 'Well, we have got to get ready for it. It may not be tomorrow. It may not happen next week or next month, but it's coming.' We are starting to hear about a little bit of an uptick in consumer loan foreclosures, auto loans in particular. Corporate debt also has really been rising. There are also a lot of interest-only loans coming due or turning to amortized payments. People are worried that they are not going to be able to meet their covenants, even if they can make the payments. You look at that and think how much longer can this go on?"

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