

**PUBLICATIONS**

## Secured Lender's Full Credit Bid Barred Later Recovery From Guarantors

**June 2013**

The U.S. Court of Appeals for the Fifth Circuit recently held that a secured lender's full credit bid for a Chapter 11 debtor's assets at a bankruptcy court sale barred any later recovery from the debtor's guarantors. *In re Spillman Development Group, Ltd.*, \_\_\_ F.3d \_\_\_, 2013WL 757648 (5th Cir. 2/28/13). A "credit bid" allows a creditor to "offset its [undisputed] claim against the purchase price," a right explicitly granted by Bankruptcy Code § 363(k). According to the court, the lender's "credit bid...had the effect of retiring the Senior Indebtedness...."

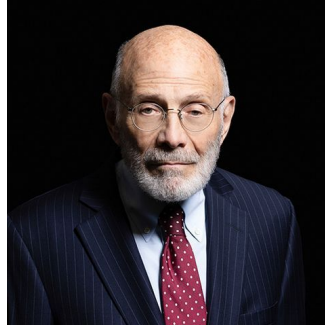
---

## Related People



**Adam  
Harris**

Partner  
New York



**Michael  
Cook**

Of Counsel  
New York

---

## Practices

**BUSINESS REORGANIZATION**

---

## Attachments

⤵ [Download Article](#)