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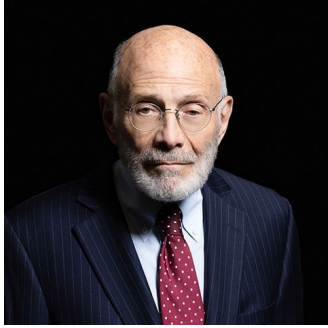
## Mere Acceleration Does Not Trigger Prepayment Premium

**February 18, 2014**

The U.S. Court of Appeals for the Fifth Circuit held on Jan. 27, 2014, that a lender's acceleration due to a borrower's payment default did not trigger a prepayment premium. *In re Denver Merchandise Mart Inc.*, \*1 (5th Cir. Jan. 27, 2014). Affirming the lower courts' application of state law, the court held that "the plain language of the contract does not require the payment of the prepayment consideration in the event of mere acceleration." *Id.* at \*5. In this article, SRZ business reorganization partner Michael L. Cook and former SRZ attorney Jonathan D. Kurland discuss the Fifth Circuit's decision.

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## Related People



**Michael  
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**BUSINESS REORGANIZATION**

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