

BUSINESS TOOLS: WWDIRECTORY EVENTS CALENDAR CAREERS PHOTO SEARCH ARTICLE FINDER

FASHION | RUNWAY | ACCESSORIES | THE MARKETS | BUSINESS | RETAIL | BEAUTY | MEN'S | MEDIA | EYE

REGISTER BY JANUARY 31 FOR A SPECIAL RATE

FAIRCHILD FASHION MEDIA

MEN'S WEAR SUMMIT

MARCH 29, 2012
NEW YORK CITY

FOLLOW US

SEARCH WWD.COM

welcome to WWD.com [SUBSCRIBE](#) [LOGIN](#)

WOMEN'S WEAR DAILY THURSDAY, JANUARY 26, 2012
TODAY'S PAPER BLOGS VIDEOS

JUST IN | **TORONTO FASHION WEEK GETS NEW SPONSOR, NEW NAME** | MORE

Subscribe to WWD at the introductory rate

ORDER NOW

BUSINESS

FINANCIAL GOVERNMENT / TRADE MERGERS / ACQUISITIONS LEGAL FORECASTS / ANALYSIS

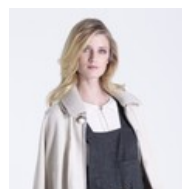
LATEST ARTICLES FROM BUSINESS

LEGAL

Tonino Perna Released From Jail

FINANCIAL

Under Armour Profits Climb



MERGERS AND ACQUISITIONS

Fung Brands Poised to Buy 80% of Sonia Rykiel

wwd business news forecasts analysis

January 26, 2012

Credit Panel Says Financing Is Available

By VICKI M. YOUNG

[Like](#) [Tweet](#) 0 [COMMENTS](#) 0 [A- A A+](#) [PRINT](#) [E-MAIL](#)

What's different in the financing sector this year from 2011? Banks are lending again — at least for now.

That was the conclusion from a panel discussion hosted by The Turnaround Management Association on Tuesday at The Union League Club in New York. The panel was part of TMA's New York Chapter's annual economic outlook presented by Professor Edward I. Altman of NYU's Stern School of Business.

The panel, moderated by attorney Mark S. Indelicato, partner in the bankruptcy and restructuring practice at Hahn & Hessen, included: William A. Brandt Jr., president and chief executive officer of workout and turnaround consultancy Development Specialists Inc.; Robert C. Smith, founding partner and managing director of SSG Capital Advisors, and Bettina M. Whyte, managing director and senior adviser at Alvarez & Marsal.

According to Whyte, there's access to cash this year, as banks are lending again. Plus there's private equity money that needs to be put to use. She expects the availability of financing in the credit markets to continue for "a while."

"The availability of money is out there, even for companies that are not as well rated," she said. The catch-22 is that for firms that aren't as well rated, the price they have to pay for access to that cash is "substantial," she noted.

Brandt pointed out that even if rates go up a little, the borrowing costs are still on the low end: "The price to borrow money in 1978 was 14 percent. Now LIBOR is 4 percent to 5 percent."

Brandt doesn't foresee economic Armageddon this year, noting that wouldn't happen, since it is an



ARTICLEFINDER

business

Choose By

CLEAR

Topic

[Financial](#) [Legal](#) [Government and Trade](#) [Merge Acquis](#)

Region

Year

View 10039 Articles

election year in the U.S. and France.

Smith said he doesn't see any signs indicating significant change to the current landscape but noted that there are still "major systemic risks" to the economy. One risk "in a low-interest environment is if the world economies heat up and drive interest rates up," he said. Another is if "Europe implodes, that would freeze the capital markets back to [what they were in] 2008," Smith said.

Prof. Altman's presentation was focused on "Current Conditions and Outlook for Global Credit and Sovereign Debt Markets."

Altman said there's a 15 to 20 percent probability that the U.S. might head back into a recession, and he concluded of the sovereign debt issues overseas, "I believe Greece will default." He also noted the importance of keeping tabs on the health of the private sector, which Altman said can provide clues about a country's sovereign debt.

"We need policies to stimulate growth, not austerity," Altman said. He explained that austerity is necessary, but a country also can't raise taxes and at the same time make it difficult for companies to both pay taxes and make a profit.

Altman also pointed out that 46 percent of companies that do a distressed debt exchange, where creditors are asked to accept something that represents less than 77 percent of the original debt, eventually file for Chapter 7 liquidation. Another 10 to 15 percent who do the distressed exchange typically do another, which also usually ends unsuccessfully, he said.

"That is what Greece is asked to do, and the history [indicates] that they will need to come back again and again for help," he concluded.

ADD A COMMENT Sign in using your Facebook or Twitter account, or simply type your comment below as a guest by entering your email and name. Your email address will not be shared.

ADD NEW COMMENT

Login



SHOWING 0 COMMENTS

Sort by newest first

Subscribe by email RSS

SEARCH BUSINESS

EMAIL
Newsletters
SIGN UP for WWD and FN newsletters to receive daily headlines, breaking news alerts and weekly industry wrap-ups.
Enter your e-mail address **SUBMIT**
FOLLOW US

VIEW ALL PUBLICATIONS
WWDStyle & Men'sWeek
01/26/2012
DOWNLOAD PDF NOW

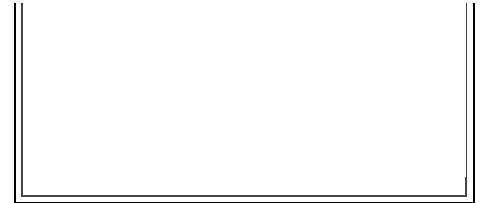
Men's Vendors Move Needle at MRket
Town and Country Looks Meld at ENK Show
London Sets Men's Shows

VIEW ALL FROM THIS ISSUE

PHOTOSEARCH

PHOTO SEARCH

FEATURED IMAGES



MOST POPULAR

VIEWED	EMAILED	COMMENTED
Hudson's Bay Co. Acquires Lord & Taylor, Bonnie Brooks Steps Up		
Macy's Sues Martha Stewart		
Brendan Hoffman to Take Reins at Bon-Ton		
Retailers Applaud Obama Move to Ease Visa Rules		
Christian Louboutin, YSL Face Off in Appeals Court		










Subscribe to WWD at the introductory rate

ORDER NOW

World-class fashion events in Hong Kong



FEATURED STORIES

						
BUSINESS Louboutin, YSL Face Off in Appeals Court	RETAIL M-commerce On the Rise	FASHION ChinaFile: The Dragon Is Born	BUSINESS Brendan Hoffman to Take Reins at Bon-Ton	FASHION Couture Houses See Rapid Growth	BUSINESS Talbots Shares Soar as Buyers Circle Firm	MEDIA Follow Women's Wear Daily

	<p>Select past issues:</p> <p>Select past issues ▾</p>	<p>Visit other Fairchild Properties:</p> <p>Visit other Fairchild Properties ▾</p>
--	--	--

WWD.com is the authority for news and trends in the worlds of fashion, beauty and retail. Featuring daily headlines and breaking news from all Women's Wear Daily publications, WWD.com provides the most comprehensive coverage anywhere of fashion, beauty and retail news and is the leading destination for all fashion week updates and show reviews from New York, Paris, Milan and London.

Use of and/or registration on any portion of this site constitutes acceptance of our [USER AGREEMENT AND PRIVACY POLICY \(REVISED 08/01/2011\)](#). © 2012 Fairchild Fashion Media and its licensors. All rights reserved.

The material on this site may not be reproduced, distributed, transmitted, cached or otherwise used, except with the prior written permission of Fairchild Fashion Media.

[AD CHOICES](#) ▶