

BARACK FERRAZZANO

Financial Institutions Group

CLIENT ACTION ALERT

AMICUS BRIEF: BARACK FERRAZZANO FILES ON BEHALF OF IBA IN *IN RE CRANE* BANKRUPTCY

On Monday, June 25, 2012, **Barack Ferrazzano** filed an amicus brief in the federal district court for the Central District of Illinois on behalf of the Illinois Bankers Association (the "IBA") in the highly controversial *In re Crane* bankruptcy.

In that case, the federal district bankruptcy court issued a ruling in February, 2012, holding that two mortgages granted by the borrowers to The Gifford State Bank were invalid as to the borrowers' bankruptcy trustee for the sole reason that the mortgages did not state the interest rate or maturity date on the mortgages. The court rendered the mortgages void as to the bankruptcy trustee. In conformance with over 100 years of practice in Illinois, the two mortgages stated the amount of indebtedness and incorporated the terms of the promissory notes by reference. The promissory notes stated the interest rates and maturity dates of the loans. The Gifford State Bank appealed the bankruptcy court's decision seeking to reverse the bankruptcy court ruling.

While the decision directly affects only Illinois banks, the decision has received national attention. If the bankruptcy decision is not reversed, that decision could potentially be used by bankruptcy trustees and bona fide purchasers of property to invalidate tens of thousands of mortgages in the state of Illinois and cause substantial disruption to the state's banks and economy.

If you wish to review a copy of the amicus brief, please [click here](#) or go to the IBA's website (www.ilbanker.com). To learn more about Barack Ferrazzano, please visit: www.bfkn.com

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