

CHAPTER 4

Loan Repayment, Interest, and Renegotiation

In the first part¹ of this chapter the most commonly used loan repayment schedules and interest calculation techniques are described, while in the second part issues related to loan renegotiation and restructuring are dealt with.

Since it is very important to have a loan repayment schedule that fits the operating cash flows of the financed real estate project, the described loan repayment schedules are the most typical scheme, but any kind of variation is possible depending on the financing agreement.²

¹ Also with the contribution of Andrea Artegiani, MSc Bocconi University.

² For further details on financial calculation see also Kolbe et al. (2003).