
Second Circuit Rules That Syndicated Term Loans Are Not Securities

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On August 24, 2023, the U.S. Court of Appeals for the Second Circuit held in *Kirschner v. JP Morgan Chase Bank, N.A. et al.* that certain syndicated term loans at the center of a transaction involving JP Morgan Chase and other banks were not securities under state law. While the Second Circuit did not foreclose the possibility that syndicated term loans could be securities under different circumstances,³ for now *Kirschner* cements the long-standing view — following *Banco Espanol de Credito v. Security Pacific National Bank* — that syndicated term loans are generally not treated as securities.

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