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# Great Expectations: *Chemtura* Revisits the Treatment of "Make-whole" and "No-call" Provisions Under the Bankruptcy Code

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## I. Introduction

One of the more confounding issues bankruptcy courts have grappled with in recent years is the extent to which damages arising from provisions governing the repayment of debt prior to its scheduled maturity, specifically "make-whole" and "no-call" clauses, are permissible under the Bankruptcy Code. In order to protect the expected return on its investment, a lender may often insist on provisions which prohibit a borrower's ability to prepay a loan (a "no-call" provision) or permit prepayment only in conjunction with the payment of a premium as proxy for the anticipated yield (a "make-whole" provision).

No-call and make-whole provisions generally are enforceable commercial covenants in the nonbankruptcy context. An obvious tension arises, however, upon a Chapter 11 filing between the Bankruptcy Code's goal of rehabilitating debtors and protecting the bargained-for expectations of lenders. Due to these competing concerns, bankruptcy courts examine claims predicated on no-call and make-whole provisions with heightened scrutiny to determine whether such claims are permissible under the structure of the Bankruptcy Code. In particular, the allowance of damages for breach of no-call and make-whole provisions intersect with the limitations on collection of interest and fees from a debtor imposed by sections 506(b) and 502(b)(2) of the Bankruptcy Code. Bankruptcy court decisions have produced conflicting results as to what extent the prepayment of debt can support entitlement to make-whole premiums or damages for breach of no-call provisions.

A recent decision by the Bankruptcy Court for the Southern District of New York in *In re Chemtura Corp.*, [FN1] provides a thoughtful analysis on the appropriate treatment of no-call and make-whole provisions in the Chapter 11 context. Although *Chemtura* addressed these provisions in the context of approving a plan settlement, the decision recognized the legitimacy of a lender's right of recovery for damages to its expected investment yield. Notably, the *Chemtura* decision provides a two-pronged framework for analyzing the extent to which no-call and make-whole provisions can support valid claims under the Bankruptcy Code.

## II. "Make-whole" and "no-call" Provisions Under the Bankruptcy Code

Modern bond indentures and credit agreements commonly include prepayment restrictions such as no-call and make-whole clauses. [FN2] No-call provisions simply prohibit prepayment of a loan before its scheduled maturity date. The contractual prohibition against prepayment through no-call provisions embodies the common law default rule of "perfect tender in time," which establishes that a commercial borrower has no right to satisfy a debt prior to the scheduled maturity date absent express authorization. [FN3] Often, no-call provisions provide that prepayment constitutes a breach by the debtor but do not liquidate the damages associated with that breach. [FN4]

Make-whole provisions may best be understood as a penalty which allows for prepayment in exchange for a sum which compensates the lender for the loss of its bargained-for investment yield. Damages are calculated under make-whole provisions as either a fixed fee (expressed as either a specific dollar amount or a percentage of the outstanding principal balance) or a formula estimating the damages resulting from prepayment (colloquially termed "yield-maintenance formulas"). [FN5] In general, yield-maintenance formulas provide a more accurate measure of compensation for the lender's loss of the remaining stream of interest payments than a fixed-fee. [FN6] A yield-maintenance formula, often through the use of a complex mathematical formula based on financial variables existing at the time of the repayment, liquidates the damages incurred by the lender as a result of the prepayment dashing its expectations of a continued yield. [FN7]

Both no-call and make-whole provisions are mechanisms designed to protect the lender's right to receive the yield expected on the loan at the time of issuance in the event that a shift in the debtor's economic situation renders prepayment more efficient. [FN8] A Chapter 11 filing impacts a debtor's economic incentives as to the prepayment of its outstanding debt; thus, creating interesting questions as to the status of no-call and make-whole provisions under the Bankruptcy Code. In the bankruptcy context, no-call and make-whole provisions directly implicate section 502(b)(2) [FN9] and section 506(b) [FN10] of the Bankruptcy Code. Section 502(b)(2) of the Bankruptcy Code disallows claims based on unmatured interest. On its face, this blanket prohibition seemingly applies to damages arising from no-call and make-whole provisions. Section 506(b) of the Bankruptcy Code provides that an oversecured creditor is entitled to postpetition interest as well as "any reasonable fees, costs, or charges provided for under the agreement... under which such claim arose." [FN11] Read together these provisions indicate that an oversecured lender is entitled to recover for postpetition interest as well as "reasonable" fees and charges under the terms of the loan agreement notwithstanding section 502(b)(2)'s general prohibition on recovering unmatured interest.

Against this statutory backdrop, bankruptcy courts have reached contradictory results in adjudicating claims for damages based on no-call and make-whole provisions. This divergence is attributable, at least in part, to the disparity in drafting of such provisions. Courts addressing no-call provisions generally are in agreement that such provisions are not specifically enforceable against a debtor. [FN12] Courts are split, however, as to whether a valid claim can arise on account of breach of a no-call provision. Certain courts have found that unsecured claims may still be asserted as compensation for "dashed" expectations, [FN13] while others have adopted the opposite view that an unenforceable provision cannot form the basis for liability under the Bankruptcy Code. [FN14] Further, courts are divided as to whether section 502(b)(2)'s proscription against unmatured interest bans a claim for expectation damages arising from no-call or make-whole provisions. [FN15]

## III. *Chemtura* Decision

### *A. Facts*

Chemtura Corporation and 27 of its affiliates (the "Debtors") filed for Chapter 11 on March 18, 2009, in the U.S. Bankruptcy Court for the Southern District of New York. [FN16] The Debtors were in the business of producing specialty chemicals, polymer products, crop protection chemicals, and pool and spa chemicals with operations in the U.S. and Canada. [FN17] Through postpetition efforts in reducing asserted claims and reaching settlements with claimants asserting products liability and environmental remediation claims, the Debtors were solvent when proposing a plan of reorganization (the "Plan"). [FN18]

On the filing date, the Debtors had funded debt facilities with a face amount of approximately $1.37 billion,

which included bonds issued pursuant to two separate indentures: (1) $500 million outstanding under 6.875% unsecured notes due 2016 (the “2016 Notes”); and (2) $150 million outstanding under 6.875% unsecured debentures due 2026 (the “2026 Notes”). [FN19] The 2016 Notes included a make-whole provision (the “Make-Whole Provision”) while the 2026 Notes included a no-call provision (the “No-Call Provision”).

The settlement reached among the parties provided that the 2016 Notes and the 2026 Notes would be paid rather than reinstated, including payment of nearly $70 million on account of alleged breaches of the Make-Whole Provision and the No-Call Provision. [FN20] The Ad Hoc Bondholders' Committee asserted that, if allowed in full, these claims would total approximately $170.4 million. [FN21] The Debtors proposed to settle these claims by paying approximately 39% of the potential liability for the breach of the No-Call Provision under the 2016 Notes and 42% of the potential liability for the Make-Whole Provision under the 2026 Notes. [FN22]

The Official Committee of Equity Security Holders (the “Equity Committee”) objected to confirmation of the Plan and the accompanying settlement. The Equity Committee asserted that the settlement could not be approved because the allocation of value for claims on account of the No-Call Provision and Make-Whole Provision overestimated the bondholders' likelihood of success with respect to enforcement of these provisions under the Bankruptcy Code. [FN23] The Equity Committee's position was that the bondholders were precluded from recovering damages under either the No-Call Provision or the Make-Whole Provision, and therefore the settlement was unreasonable since it materially diverted value to the bondholders that otherwise would have been funneled to equity claimants. [FN24]

***B. Analysis***

In addressing the Equity Committee's objection, the bankruptcy court was clear from the outset that it was not issuing a decision on the merits of the enforceability of the No-Call Provision and Make-Whole Provision. [FN25] Rather, the context for the bankruptcy court's decision was the approval of the proposed settlement under Bankruptcy Rule 9019. [FN26] To that end, the bankruptcy court noted that it need not conduct an independent investigation into the merits but must only “canvass the issues and see whether the settlement falls below the lowest point in the range of reasonableness.” [FN27] In particular, the bankruptcy court focused on the bondholders' “likelihood of success” in asserting claims based on the No-Call Provision and Make-Whole Provision, but side-stepped an adjudication on the merits. [FN28]

After canvassing relevant decisions addressing no-call and make-whole provisions, the bankruptcy court turned to crafting an analytical framework for determining whether the No-Call Provision and Make-Whole Provision would support the claims asserted by the bondholders to a degree sufficient to approve the proposed settlement. [FN29] The bankruptcy court formulated a two-pronged analysis for examining the enforceability of such provisions in the Chapter 11 context.

The first prong of the bankruptcy court's analysis involved the examination of the contractual provisions under applicable state law to determine the extent of their enforceability independent of the Bankruptcy Code. [FN30] This step incorporates principles of contractual interpretation under the governing state law of the no-call and make-whole provisions in order to determine whether the contractual prerequisites to enforcement of the provisions were triggered in the first instance by their respective terms. [FN31] Assuming that an entitlement to damages arises under state law, it is necessary to then calculate the resulting liability under the prepayment clause to determine whether such damages should be disallowed under state law. [FN32]

The second prong of the *Chemtura* analysis involved application of the special considerations triggered under the Bankruptcy Code, specifically whether the restrictions provided under the Bankruptcy Code concerning unmatured interest would preclude enforcement or limit the available damages under such provisions. [FN33] This inquiry requires the bankruptcy court to "determine whether the particular provisions of the [Bankruptcy] Code (or, to the extent applicable, bankruptcy caselaw or policy) would require disallowance of such a claim even if it might otherwise have validity under applicable nonbankruptcy law." [FN34]

***1. Enforceability Under State Law***

Examining the No-Call Provision and the Make-Whole Provision under the first prong, the bankruptcy court focused on whether the Debtors' proposed prepayment constituted a breach under state law. The crux of this question was whether the proposed prepayment actually occurred prior to maturity (as defined in the respective loan documents), or whether the maturity date was altered by the automatic acceleration triggered by the Chapter 11 filing. [FN35] With respect to the 2016 Notes, the Make-Whole Provision was contingent upon redemption prior to the "Maturity Date," however, the 2016 Notes did not specifically address the effect of the automatic acceleration caused by the bankruptcy filing on the payment of the make-whole premium. [FN36] As such, the bankruptcy court found that the bondholders likely had a strong argument that payment of the 2016 Notes upon their automatic acceleration due to the bankruptcy filing constituted a redemption prior to the "Maturity Date."

The bankruptcy court also questioned the yield-maintenance formula employed under the 2016 Notes and whether it represented an accurate calculation of lost interest or an unjustifiable penalty. [FN37] The bankruptcy court conceded that the mathematical calculation comprising the yield-maintenance formula was complex and would be subject to additional inquiry if properly before the court on the merits. [FN38] Since the yield-maintenance formula was agreed to by sophisticated commercial parties, the bankruptcy court did note that it would be reluctant to invalidate such a provision "unless it turned out to be truly an unjustifiable penalty." [FN39]

In addressing the 2026 Notes, the bankruptcy court found that the position of the bondholders was weaker, but that entitlement to damages could not be foreclosed completely. The bankruptcy court flagged the issue of ambiguous drafting with respect to the No-Call Provision as undermining the bondholders' position. [FN40] Specifically, the No-Call Provision simply was drafted as stating: "Optional Redemption: None," with the term "Redemption" not defined anywhere in the 2026 Notes. [FN41] The bankruptcy court cautioned that this "inadequate drafting" may have failed to give the bondholders the rights they sought to enforce under state law. The bankruptcy court concluded that this legal uncertainty did not render the settlement unreasonable despite it being based on the bondholders' asserted value of the claim arising from the No-Call Provision. [FN42]

***2. Enforceability Under the Bankruptcy Code***

The bankruptcy court proceeded to the second prong of its analysis-whether the provisions of the Bankruptcy Code rendered the claims based on the No-Call Provision and Make-Whole Provision unenforceable notwithstanding applicable state law. The bankruptcy court addressed three significant issues under this prong of its analysis.

First, the bankruptcy court acknowledged that the No-Call Provision would not be subject to specific performance under the Bankruptcy Code. [FN43] The bankruptcy court, however, seized on the distinction that prohibiting specific performance of a no-call provision was analytically different from disallowing a claim for dam-

ages based on a breach of such a provision. [FN44] In this regard, the bankruptcy court concluded that the bondholders would have "by far the better argument" that a claim for damages for breach of a no-call provision is unaffected by the fact that it cannot be specifically enforced against a Chapter 11 debtor.

Second, the bankruptcy court addressed the notion that make-whole premiums and damages resulting from a breach of a no-call provision constitute proxies for unmatured interest that would be prohibited under section 502(b)(2) of the Bankruptcy Code. [FN45] While observing that the majority view is against disallowing such claims as unmatured interest whereas the minority view favors disallowance, the bankruptcy court essentially punted on this issue. [FN46] The bankruptcy court did opine in dicta that it likely would favor the minority view on the ground that it was the more beneficial option for the estate and its creditors. Despite providing some guidance as to its view, the bankruptcy court specifically did not reach a definitive conclusion and classified the issue as "still open." [FN47]

Third, the bankruptcy court queried whether the entitlement to claims for no-call and make-whole damages would be impacted by the debtor's solvency. [FN48] The more expansive view as to section 502(b)(2)'s prohibition against unmatured interest seemingly adopted by the bankruptcy court with respect to the second point was stunted by the observation in dicta that application of section 502(b)(2) as to make-whole and no-call provisions would be inapplicable in the case of a solvent debtor. [FN49] The bankruptcy court justified this distinction by explaining that "[w]ith a solvent debtor, issues as to fairness amongst creditors, in sharing a limited pie, no longer apply; the allowance of claims under a make-whole provision, or for damages for breach of a no-call, no longer comes at the expense of other creditors." [FN50]

Upon completing the two-step analysis, the bankruptcy court concluded that the bondholders had a favorable position under state law as to an entitlement for damages on account of the Debtors' breach of the No-Call Provision and Make-Whole Provision. The bankruptcy court further decided that because the Debtors were solvent, bankruptcy considerations concerning the disallowance of unmatured interest in fairness to all creditors did not affect the conclusions reached under state law. [FN51] Based on these findings and the totality of the settlement, the bankruptcy court determined that the settlement fell within the necessary range of reasonableness for approval and to overrule the objection of the Equity Committee. [FN52]

## IV. Lessons of *Chemtura*

Although *Chemtura* did not rule directly on the merits of entitlement to damages for no-call and make-whole provisions, the bankruptcy court formulated a two-pronged analysis that may serve as a roadmap for courts addressing these issues in future cases. This approach of employing state law principles of contractual interpretation with analysis of the relevant provisions of the Bankruptcy Code has been utilized to varying degrees by other courts. The *Chemtura* opinion, however, espouses a definitive and structured framework that may be attractive to other bankruptcy courts searching for guidance on these unsettled issues.

The bankruptcy court's analysis of the No-Call Provision in *Chemtura* also served as a stark reminder to both investors and attorneys that often the "devil is in the details" in terms of drafting to ensure that bargained-for rights are protected. The analysis of a lender's right to expectation damages under state law often turns on the specific language of the debt instrument. As such, the bankruptcy court's admonishment that the "inadequate drafting" of the No-Call Provision could have resulted in the relinquishment of otherwise enforceable rights is a sober warning that boilerplate drafting often may not preserve the right to such expectation damages or other premiums and fees. Notably, the *Chemtura* decision demonstrates that make-whole and no-call provisions

should be drafted to specify the effect of the automatic acceleration of the debt instrument triggered by the Chapter 11 filing.

As discussed in *Chemtura*, although courts are divided, the majority have adopted the lender-friendly perspective that claims premised on make-whole and no-call provisions do not constitute impermissible claims for unmatured interest. The rationale underlying this view is that the prepayment obligation is only triggered upon the event of prepayment, and therefore, the prepayment liability matures at the time the payment itself occurs. In dicta, the bankruptcy court in *Chemtura* notes its approval of the more debtor-friendly minority view, which interprets section 502(b)(2) to disallow claims for interest that are "unmatured" as of the filing date. While not an authoritative statement in support of the minority view, the Chemtura decision may provide debtors and unsecured creditors an opportunity to chip away at the majority view and seek disallowance of claims for breach of prepayment provisions under section 502(b)(2).

Finally, the *Chemtura* decision suggests that a per se rule may apply in solvent debtor cases which disregards the claim limitations mandated by the Bankruptcy Code based on the equities of the case. Under this rule, allowance of claims predicated on no-call provisions and make-whole provisions involving solvent debtors would be contingent entirely upon resolution of state law issues without reference to section 502(b)(2) of the Bankruptcy Code. While cases involving solvent debtors obviously are the exception rather than the norm, the adoption of this rule would provide certainty to both debtors and lenders in negotiating the treatment of claims based on prepayment provisions in this narrow context.

**V. Conclusion**

As exemplified in *Chemtura*, a lender's ability to recover for "dashed expectations" could have a significant impact on its potential recovery in the Chapter 11 proceeding. It remains to be seen whether other bankruptcy courts will ally themselves with the analysis provided in *Chemtura* to resolve claim issues involving no-call and make-whole provisions. Absent concrete guidance from appellate courts, uncertainty in this area will persist and encourage practitioners to meticulously draft and examine debt instruments in order to avoid unintended consequences with respect to these protections for expected investment yields.

[FN1]. In re Chemtura Corp., 439 B.R. 561 (Bankr. S.D. N.Y. 2010).

[FN2]. See Seligman, Hiltz Seewer & Goldstein, Treatment of Prepayment Prohibitions in Bankruptcy is Proving to be a Tough Call for Courts, 7 Pratt's J. Bankr. L. 81 (Jan. 2011) (noting that such provisions are a "common feature" of modern credit transactions).

[FN3]. See Charles & Kleinhaus, Prepayment Clauses in Bankruptcy, 15 Am. Bankr. Inst. L. Rev. 537, 540-42 (Winter 2007) (explaining that the "perfect tender in time rule" was accepted in American common law as early as 1829, and although rejected in several states it remains the law in certain jurisdictions such as New York).

[FN4]. See Charles & Kleinhaus, 15 Am. Bankr. Inst. L. Rev. at 542.

[FN5]. See Charles & Kleinhaus, 15 Am. Bankr. Inst. L. Rev. at 537-38, 543-45.

[FN6]. See Seligman, Hiltz Seewer & Goldstein, 7 Pratt's J. Bankr. L. 81; Charles & Kleinhaus, 15 Am. Bankr. Inst. L. Rev. at 543-45; see generally HSBC Bank USA, Nat. Ass'n v. Calpine Corp., 2010 WL 3835200, at *4

(S.D. N.Y. 2010) (“Calpine II”) (explaining that parties frequently employ make-whole provisions because “acceleration deprives borrowers of the payment streams for which they contracted”).

[FN7]. See Chemtura, 439 B.R. at 597 n.166 (noting that bankruptcy courts have used the term “dashed expectations” in characterizing a creditors' request for payment pursuant to a make-whole provision).

[FN8]. See Charles & Kleinhaus, 15 Am. Bankr. Inst. L. Rev. at 538 (“The purpose of prepayment clauses is to determine the parties' respective rights in the event that prepayment becomes economically efficient for a borrower.”).

[FN9]. Section 502(b)(2) generally disallows claims for unmatured interest, and provides:

(b) Except as provided in subsections (e)(2), (f), (g), (h) and (i) of this section, if such objection to a claim is made, the court, after notice and a hearing, shall determine the amount of such claim in lawful currency of the United States as of the date of the filing of the petition, and shall allow such claim in such amount, except to the extent that--

(2) such claim is for unmatured interest.

11 U.S.C.A. § 502(b)(2).

[FN10]. Section 506(b) provides:

To the extent that an allowed secured claim is secured by property the value of which, after any recovery under subsection (c) of this section, is greater than the amount of such claim, there shall be allowed to the holder of such claim, interest on such claim, and any reasonable fees, costs, or charges provided for under the agreement or State statute under which such claim arose.

11 U.S.C.A. § 506(b).

[FN11]. 11 U.S.C.A. § 506(b).

[FN12]. See, e.g., In re Calpine Corp., 365 B.R. 392, 397 (Bankr. S.D. N.Y. 2007) (“Calpine I”) ((“no-call provisions that purport to prohibit optional repayment of debt are unenforceable in chapter 11 cases. The ‘essence of bankruptcy reorganization is to restructure debt... and adjust debtor-creditor relationships.’ It would violate the purpose behind the Bankruptcy Code to deny a debtor the ability to reorganize because a creditor has contractually forbidden it.”) (quotations and citations omitted).

[FN13]. See Calpine I, 365 B.R. at 399 (declining to award specific performance of the no-call provisions, but finding that the no-call provisions would support unsecured claims for expectation damages resulting from the debtors' breach and calculating the damages based upon the premiums in the make-whole provisions (although not yet triggered) as a useful measure of the resulting loss); In re Premier Entertainment Biloxi LLC, 445 B.R. 582, 633-40 (Bankr. S.D. Miss. 2010) (holding that breach of no-call provision gave rise to an unsecured claim for damages to expected return of interest).

[FN14]. See Calpine II, 2010 WL 3835200, at *4 (concluding that because no-call provisions could not be specifically enforced against a debtor it would be improper to allow a breach to give rise to a claim, and finding that claims for breach of a no-call provision are precluded under section 502(b)(2) as unmatured interest); see also In re Solutia Inc., 379 B.R. 473, 488-89, 49 Bankr. Ct. Dec. (CRR) 38 (Bankr. S.D. N.Y. 2007) (rejecting claim for expectation damages for loss of future interest payments because relevant note obligations had become fully ma-

ture due to automatic acceleration clause and that since bond language lacked a requirement for a prepayment premium upon automatic acceleration it would be improper to read such a right into the parties' agreement).

[FN15]. Compare Calpine II, 2010 WL 3835200, at *4 with Premier Entm't Biloxi, 445 B.R. at 633-40.

[FN16]. Chemtura, 439 B.R. at 568.

[FN17]. Chemtura, 439 B.R. at 568.

[FN18]. Chemtura, 439 B.R. at 568.

[FN19]. Chemtura, 439 B.R. at 568.

[FN20]. Chemtura, 439 B.R. at 570.

[FN21]. Chemtura, 439 B.R. at 570.

[FN22]. Chemtura, 439 B.R. at 570.

[FN23]. Chemtura, 439 B.R. at 567, n.3.

[FN24]. Chemtura, 439 B.R. at 570.

[FN25]. Chemtura, 439 B.R. at 593.

[FN26]. Chemtura, 439 B.R. at 593, 600 (explaining that the bankruptcy court was “not being asked to decide the entitlements issues on the merits. My task here is merely to decide whether, in light of all applicable case law and my own analysis, the settlement falls below the lowest point in the range of reasonableness”) (internal quotation marks and citation omitted).

[FN27]. Chemtura, 439 B.R. at 594.

[FN28]. Chemtura, 439 B.R. at 594, 597 (noting that the most relevant factor for approval of the settlement under the reasonableness inquiry centered around determining the likelihood of success with respect to the bondholders' claims).

[FN29]. Chemtura, 439 B.R. at 600.

[FN30]. Chemtura, 439 B.R. at 600.

[FN31]. Chemtura, 439 B.R. at 600 (explaining that this step requires an inquiry into whether the specific provisions at issue were triggered by the debtor's prepayment).

[FN32]. Chemtura, 439 B.R. at 600 (explaining that the court would have to determine the appropriate damages for a violation of the relevant provision to determine whether the “punishment fits the crime” or whether the damages should be disallowed as a penalty or reduced in an appropriate amount).

[FN33]. Chemtura, 439 B.R. at 600.

[FN34]. Chemtura, 439 B.R. at 603.

[FN35]. Chemtura, 439 B.R. at 600-01.

[FN36]. Chemtura, 439 B.R. at 600-01.

[FN37]. Chemtura, 439 B.R. at 602.

[FN38]. Chemtura, 439 B.R. at 602.

[FN39]. Chemtura, 439 B.R. at 602.

[FN40]. Chemtura, 439 B.R. at 603.

[FN41]. Chemtura, 439 B.R. at 603.

[FN42]. Chemtura, 439 B.R. at 603.

[FN43]. Chemtura, 439 B.R. at 603-04 (“I don't think anybody could seriously argue that a no-call provision could ever be specifically enforceable in bankruptcy”); See Charles & Kleinhaus, 15 Am. Bankr. Inst. L. Rev. at 563-64 (collecting cases standing for the proposition that no-call provisions are unenforceable in bankruptcy to prevent prepayment by the debtor).

[FN44]. Chemtura, 439 B.R. at 604 (observing that “the extent to which a claim for damages for a no-call's breach would nevertheless be sustainable is a very different question” from whether a no-call provision may be specifically enforced against a debtor).

[FN45]. Chemtura, 439 B.R. at 604.

[FN46]. Chemtura, 439 B.R. at 604, n.190 (citing Charles & Kleinhaus, 15 Am. Bankr. Inst. L. Rev. at 580 (“Most cases to consider the issue have concluded that claims based on prepayment clauses are not claims for unmatured interest... The minority view is that a claim based on a prepayment fee is a claim for unmatured interest.. The same logic has been applied to damages for breach of a no call, which are likewise intended to compensate lenders fully for lost interest income.”).

[FN47]. Chemtura, 439 B.R. at 604.

[FN48]. Chemtura, 439 B.R. at 604-05.

[FN49]. Chemtura, 439 B.R. at 604-05.

[FN50]. Chemtura, 439 B.R. at 605.

[FN51]. Chemtura, 439 B.R. at 605.

[FN52]. Chemtura, 439 B.R. at 605.

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