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Legal Editor: Kelliann Kavanagh


First edition 1982, William C. Hillman
Second edition 1986
Third edition 1990
Fourth edition 1994, Thomas S. Hemmendinger
Fifth edition 2000
Sixth edition 2013

First casebound printing 2017.

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LCCN: 2013946323
ISBN: 978-1-4024-3129-6 (casebound)
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Acknowledgments to the First Edition

A recent issue of Saturday Review described acknowledgments as “the brief customary words of thanks with which authors flaunt their acquaintance with celebrities, pay off little debts, and demonstrate their devotion to their spouses, parents, children, and pets.”

Well said.

I suffer under an acute disability in this regard. I know no celebrities, owe no small debts, feel my devotion to family is better demonstrated in other ways, and the goldfish died.

This book includes contributions, direct or indirect, from virtually everyone who has had an impact upon my life, personally or professionally. From some I have acquired only a particular insight or borrowed a viewpoint. Others have helped in more concrete ways. A fair and comprehensive listing would be impossible.

As a result, I name no names, and in lieu of acknowledgments, this book is

DEDICATED

To my friends and colleagues, past and present

WILLIAM C. HILLMAN
Preface to the Sixth Edition

The title page says I am the author of this book. But it would be more accurate to say that this book and Bill Hillman made me. In the high and far-off times, Bill gave me a copy of his then-new first edition of Commercial Loan Documentation. From him and this book, I learned how to do what I do for a living, and other, more valuable things besides.

When my partner and comrade became a Bankruptcy Judge, he believed that someone in the trenches should carry this work forward.

To read a prior edition of this book is to converse with its author. That and the book’s practical wisdom are its greatest strengths. I hope this latest edition continues the conversation.

THOMAS S. HEMMENDINGER
Preface to the First Edition

Traditional law school teaching of commercial law does not produce lawyers initially qualified to represent parties to loan transactions. Much of the instruction is excellent and most of the remainder adequate at least. The problem is in the teaching materials available.

We study statutes and learn that there are certain minimum requirements for a particular form of contract. We read cases and see examples of draftsmanship that, at worst, are held to fall below the required minimums. At best, the language before the court was sufficiently vague to bring the case to an appellate court, even if it is ultimately ruled to be adequate.

And so we learn from the bottom, but we do not build to the top. Course materials do not generally contain examples of language so clear that it has never been litigated, or cleverly crafted contracts that discover new possibilities within the bounds of the permissible.

This was my experience a quarter century ago. Recent discussions with younger members of the bar and law school faculty members lead me to believe that little has changed. By and large, clinical legal education in the field of commercial law is no more than a gleam in its fathers’ eyes, if, indeed, the potential parents have even considered the idea.

Over the years I learned a great deal about loan documents, not in any coherent fashion, but as questions arose in my practice. A natural curiosity led me to question the reasons for certain procedures, which brought me some answers and even more questions. Fortunately, the issues involved in commercial finance are broadly spread throughout the law, and I never became that hypothetical “expert” who learned more and more about less and less until he knew everything about nothing.

When I finally became senior to other attorneys and had to impart instruction rather than receive it, I discovered that the pigeonholes of my mind were overflowing with bits and pieces of information, unstructured and in my own indecipherable mental shorthand.
A few minor areas were sorted out while I was writing articles, preparing for continuing legal education programs, and revising forms for office or client use, but I never had the inclination to create a comprehensive compendium.

The seed for this book was planted when PLI asked me to prepare a volume on quite another aspect of commercial law. I declined, but some urge led me to suggest as an alternative a practice book on commercial loan documentation. My counter offer was accepted, and the rest is not history but the text that follows.

To borrow, and paraphrase, some language from another’s preface, this book is not a compendium of legal templates that may or may not provide instant solutions for ignorant or indolent practitioners. It is intended to expose to the neophyte and recall for the veteran the basic concepts of loan documentation.

I hope that you will find it to be helpful.

WILLIAM C. HILLMAN