

Articles + Publications | February 22, 2024

Can I Net Amounts Owed to the Debtor Against Amounts Owed to Me?

Creditor's Rights Toolkit

CONTACTS

David M. Fournier | Evelyn J. Meltzer | Kenneth A. Listwak | Tori Lynn Remington

There are two similar but distinct mechanisms through which a creditor might net amounts owed to the debtor against amounts owed by the debtor — setoff and recoupment. Understanding the distinction between them, and how bankruptcy affects those rights, is crucial to maximizing a creditor's recovery and minimizing exposure.

This article discusses the key issues of setoff and recoupment in a Chapter 11 bankruptcy. To access this article and read other insights from our Creditor's Rights Toolkit, [please click here](#).

RELATED INDUSTRIES + PRACTICES

- Bankruptcy + Restructuring
- Debtor + Committee Representations
- Distressed Mergers + Acquisitions
- Trade Creditors Representation