
Recession reports - Lear Corp files for Chapter 11 bankruptcy

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Reuters reported that US auto parts maker Lear Corporation has filed for Chapter 11 bankruptcy protection after setting out plans to restructure its USD 3.6 billion debt burden under a proposed deal with creditors.

The filing represents the largest in a string of recent failures of auto parts suppliers and highlights the pressure on the sector from sharply curtailed production and bankruptcies at automakers General Motors Corporation and Chrysler.

Lear said in a statement that the restructuring had won the support of the majority of its creditors and that it expected to submit the proposals to the court within 60 days.

Lear also received commitments for USD 500 million of debtor in possession financing from a syndicate of secured lenders led by JPMorgan Chase & Co and Citigroup.

Lear makes seating and electrical equipment for vehicles and ranks as the 11th largest global auto parts supplier by sales.

(Sourced from www.reuters.com)

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