Proskauer

Feeling Bullish: A Career in Private Credit

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Interest in private credit has grown significantly in the past 12 months. As the syndicated market has slowed, direct lenders (and borrowers) are finding better deal flow and increased opportunities. Market pundits have deemed this the “golden age” of private credit. Job seekers – both new and seasoned professionals – are also looking at the sector with renewed interest. So why is private credit suddenly such an attractive proposition to investment professionals and advisors?

We asked Mike Mezzacappa, Co-Head of Private Credit at Proskauer to share his thoughts on the growing interest in private credit.

Mike: I have been a private credit lawyer for almost my entire career, even before it was labeled “private credit,” and I cannot ever recall seeing as much interest in the sector as there exists today. The current economic uncertainty and closure of the syndicated markets continue to create opportunities for private credit lenders, who are much better equipped than their institutional counterparts to deal with issues such as rising interest rates and defaults.

Firms dedicated to serving private credit lenders must be prepared to provide expert counsel in good times and in bad. A good private credit practice will have a mix of lawyers whose expertise focuses on different facets of the sector, so it meets the firm’s and clients’ needs no matter the environment.

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Mainstream Market Appeal

Mike: Broadly speaking, attracting new attorneys (and investment professionals) to private credit was a challenge up until the past few years. They didn't quite know what it was, were concerned about committing to it long term or, oftentimes, viewed private credit as less interesting than private equity.

Fast forward to today and young lawyers are finally seeing private credit as a real opportunity. The market has weathered the turbulence of the macro-economic environment well and firmly established itself as an asset class that will continue to attract capital in the long term. Finance professionals – both junior and senior – are now keen to get in the door.

Tapping Into Talent

Mike: The sector really has become an attractive career path for lawyers and others looking for more diversity in the types of transactions that they do and the clients that they work for.

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Evolving Alongside the Asset Class

Mike: We've represented direct lenders since the infancy of the asset class and work on both healthy and distressed deals. We have – and have always had – an integrated team of private credit, private equity, restructuring and tax lawyers who are as well-versed in advising with respect to troubled credit investments as they are with respect to performing credits. I have always enjoyed the variety in the transactions as well as the opportunity to work with clients to craft solutions to novel issues.

I have also enjoyed developing and maintaining relationships with the investment and legal professionals who, like me, were drawn to private credit (or were even pioneers of the sector), some of whom I know and have worked with for over 20 years.

Related Professionals

- **Michael M. Mezzacappa**
  Partner