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Deconstructing delayed draw term loans

Buttersworth Journal of International Banking and Financial Law on **March 17, 2025**

Delayed draw term loans have predominantly been a common feature in the private credit market, but lenders in the broadly syndicated loan market have started to offer the product too as competition between the two markets heats up. Faisal Ramzan, Alice Dawson-Loynes, Andrew Surgey dive into this topic further discussing:

- Access to additional liquidity is essential for private equity sponsors with acquisitive portfolio companies looking at growth in the leveraged finance market.
- Delayed draw term loans provide availability of committed funds during an agreed period, without the full interest expense until drawn.
- The recent evolution of these facilities into an even more flexible product known as synthetic PIK.

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