Proskauer

Proskauer's Private Credit Default Index Reveals Rate of 1.84% for Q3 2025

October 23, 2025

NEW YORK, October 23, 2025 – Proskauer today released its latest Private Credit Default Index (the "Index"), which tracks senior-secured and unitranche loans in the United States. The Index revealed a default rate of 1.84% for the period of July 1, 2025 – September 30, 2025. The rate is consistent with Q2 2025 (1.76%) and remains significantly below the default rates reported with respect to the broadly syndicated market.

This quarter's Index encompasses 705 loans representing $141.0 billion in original principal amount.

"While we're seeing some movement in default rates, particularly among larger borrowers, the overall picture remains one of strength and resilience. The market continues to mature, and this quarter's findings underscore the importance of proactive risk management and thoughtful structuring in navigating today's credit environment." said Stephen A. Boyko, partner and co-founder of Proskauer's Private Credit Group.

We saw both decreases and increases in the three EBITDA bands that the Index tracks. In companies with EBITDA of less than $25 million, defaults decreased from 1.8% in Q2 2025 to 1.6% in Q2 2025. For those with EBITDA of $25 million to $49.9 million, we observed a slight decrease in the default rate from 2.9% in Q2 2025 to 2.6% in Q3 2025. Companies with EBITDA equal to or greater than $50 million rose to 1.2% in Q3 2025 from 0.5% in Q2 2025.

The Proskauer Index includes a comparison to default rates published by the rating agencies, historical trends by industry and EBITDA bands, defaults by type, defaults in cov-lite loans and defaults by year of origination. The full report is available only to the Firm's direct lending clients.

About Proskauer

The world’s leading organizations and global players choose Proskauer to represent them when they need it the most. With 800+ lawyers in key financial centers around the world, we are known for our pragmatic and commercial approach. Proskauer is the place to turn when a matter is complex, innovative and game-changing. We work seamlessly across practices, industries and jurisdictions with asset managers, private equity and venture capital firms, Fortune 500 and FTSE companies, major sports leagues, entertainment industry legends and other industry-redefining companies.

The Firm’s Private Credit Group is made up of cross-disciplinary finance and restructuring experts exclusively dedicated to private credit investors. It includes over 110 finance and restructuring lawyers focused on representing credit funds, business development companies and other direct lending funds in the restructuring of “clubbed” and syndicated credits, preferred equity, special situations and alternative investments. Over the past five years, Proskauer has been involved in over 1,600 deals for more than 100 private credit clients across the U.S. and Europe with an aggregate transaction value exceeding $420 billion.

Related Professionals

- **Stephen A. Boyko**
  Partner