Proskauer

Proskauer's Private Credit Default Index Reveals Rate of 2.73% for Q1 2026

April 27, 2026

NEW YORK, April 27, 2026 – 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 2.73% for the period of January 1, 2026 - March 31, 2026. The rate represents an increase from 2.46% in Q4 2025 and 1.84% in Q3 2025.

This quarter's Index encompasses 697 loans representing $189.2 billion in original principal amount.

"The first quarter reflects a continuation of the modest upward trend in defaults that began in mid-2025," said Stephen A. Boyko, partner and co-founder of Proskauer's Private Credit Group. "While there are signs of pressure in certain segments, overall levels remain relatively contained and continue to track below those in the broadly syndicated loan market. We are closely monitoring developments across borrower cohorts and across sectors. Despite concerns about the performance of loans in the software and technology sector, default rates in that industry have remained relatively stable."

In companies with EBITDA of less than $25 million, we observed a modest increase from 1.7% in Q4 2025 to 2.3% in Q1 2026. For those with EBITDA of $25 million to $49.9 million, we observed a modest decrease from 3.6% in Q4 2025 to 3.1% in Q1 2026. Companies with EBITDA equal to or greater than $50 million rose to 3.0% in Q1 2026 from 2.4% in Q4 2025.

The Proskauer Index contains a comparison to default rates published by the rating agencies, a principal- weighted default rate, 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 900+ 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 1,900 deals for more than 100 private credit clients across the U.S. and Europe with an aggregate transaction value exceeding $475 billion.

Related Professionals

- **Stephen A. Boyko**
  Partner