Proskauer

Proskauer’s Private Credit Default Index Reveals Rate of 2.41% for Q3 2026

October 27, 2026

NEW YORK, October 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 2.41% for the period of July 1, 2026 – September 30, 2026. The rate represents a decrease from 2.51% in Q2 2026 and marks a second consecutive quarterly decline in the overall rate.

This quarter’s Index encompasses 746 loans representing $205.7 billion in original principal amount.

"The decline in the overall default rate for a second consecutive quarter points to continued resilience of the private credit market," said Stephen A. Boyko, partner and co-founder of Proskauer’s Private Credit Group. "However, the headline number doesn't tell the whole story. Trailing 12-month defaults rose, software and technology defaults climbed, and performance varied by sector and borrower size. As credit conditions shift, close portfolio monitoring and early engagement with borrowers matter more than ever."

In companies with EBITDA of less than $25 million, we observed a modest increase from 1.9% in Q2 2026 to 2.2% in Q2 2026. For those with EBITDA of $25 million to $49.9 million, we observed a slight decrease from 3.4% in Q2 2026 to 3.3% in Q3 2026. Companies with EBITDA equal to or greater than $50 million decreased to 1.7% in Q3 2026 from 2.4% in Q2 2026.

The Proskauer Index contains 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

Proskauer is an elite global law firm with more than 900 lawyers in key financial centers in the United States, Europe, South America, and Asia. Our clients include many of the world's leading businesses, including asset managers, banks, listed corporations, and private companies. We have deep expertise in several of the fastest-growing and dynamic segments of the market, including sports, technology, life sciences, and health care. We represent hundreds of asset managers across a wide spectrum of sectors and strategies, including private equity, private credit, hedge, real assets, secondaries, and capital solutions.

The Private Credit Group is a cross-disciplinary team of finance and restructuring lawyers dedicated exclusively to representing private credit investors. With professionals based in New York, London, Los Angeles, Boston, Charlotte, Chicago and Paris, we advise credit funds, business development companies, banks and other institutional investors on direct lending transactions, special situations, liability management transactions and other alternative investment strategies. Over the past five years, Proskauer has advised on more than 1,900 private credit transactions for over 100 clients across the U.S. and Europe, with an aggregate transaction value exceeding $475 billion. Our technical strength, combined with our expansive experience, makes us the firm of choice for first-in-kind transactions.

Related Professionals

- **Patrick D. Walling**
  Partner
- **Stephen A. Boyko**
  Partner