TRENDING DATA

PC

Is private credit facing a maturity wall?

Pressure to refinance BDC loans appears relatively evenly distributed, according to Preqin data

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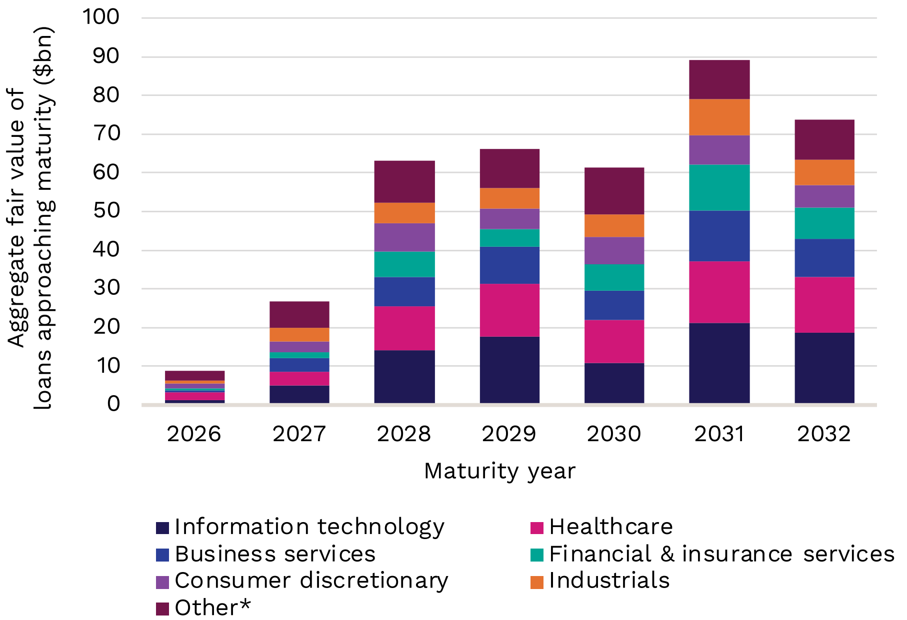
Financing conditions in recent years made for a difficult environment for companies with higher debt loads to either repay or refinance loans underwritten in the lower rate environment prior to 2022. Although many borrowers did move to refinance (some attempting to lock in rates in anticipation of the environment further deteriorating or a tighter lending appetite), short-term agreements could have led to an impending maturity wall.

Banks face refinancing pressure as large volumes of loans mature, constraining overall capital even as they reprice and renegotiate loans at higher spreads.[1] Concern surrounding the impending arrival of a debt maturity wall has also fueled near-term fears over refinancing pressure for business development companies (BDCs); however, this maturity wall for BDCs may not arrive so soon (or be too imposing), according to Preqin data.

A maturity ramp rather than a wall for BDC holdings

Aggregate fair value of loans in BDC holdings approaching maturity, by sector (at end-December 2025)



Source: Preqin. Data as of April 2026

*Other comprises telecoms, energy & utilities, real estate, raw materials & natural resources, and a range of other smaller sectors

1 Global Refinancing: Pressures Linger For The Lowest-Rated Credit | S&P Global Ratings

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Rather than an imminent wall, the debt burden of loans within BDC holdings approaching maturity appears to more gradually ramp up, with some runway. The peak maturity years are 2029, 2031, and 2032, meaning that there is still ample time for borrowers to renegotiate and refinance. Borrowers may seek to take advantage of a more competitive lending environment or strengthen their overall credit metrics before BDC loans come due.

Concerns that certain sectors will be overburdened by imminent refinancing needs may also be overstated. For the IT sector, more specifically software, disruptions driven by the development of artificial intelligence have caused companies with vulnerable revenue streams to reassess business models. However, our data suggests no sector faces disproportionate levels of pressure from loans approaching maturity in any specific year.

Because maturities are spread rather than arising in a concentrated block, not all borrowers from BDCs will be competing for capital simultaneously, allowing more time for negotiation with BDCs for more agreeable terms. More competition among lenders would typically create downward pressure on loan pricing, softening refinancing conditions for borrowers even in a period of market stress.

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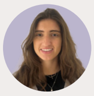

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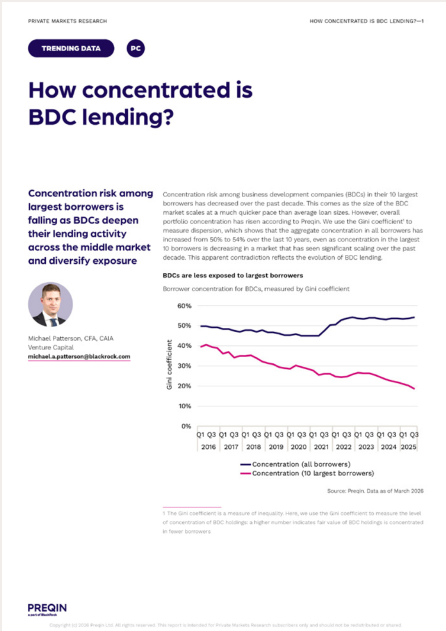
Related research


RESEARCH NOTE

Mapping software exposure across BDC portfolios

Using Preqin's BDC holdings data, we assess BDC lenders' growing exposure to the software sector and related concentration risk

- Software companies have long attracted private equity investment, with much financing coming from private credit lenders, including BDCs
- Business models have been brought into question by some market participants owing to the disruptive influence of AI
- This has led to some redemptions in BDCs as investors raise concerns about potential credit events in loans that back software buyouts
- In this note, we take a closer look at the level and concentration of exposure to tech companies within BDCs and the potential for single credit events to permeate through the sector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