

# Private Debt Market Environment

- Demand for corporate loans are driven by: 1) middle market buyout and acquisition activities which need financing, and 2) middle market borrowers which need to refinance existing loans from banks.
- Regulatory constraints limit banks ability to make below investment-grade, illiquid loans (typically to middle market companies)
  - Basel III
  - Dodd-Frank
  - “Leveraged Lending Guidelines” of OCC/Fed/FDIC