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Leveraged Loan Insight & Analysis – 11/3/2014

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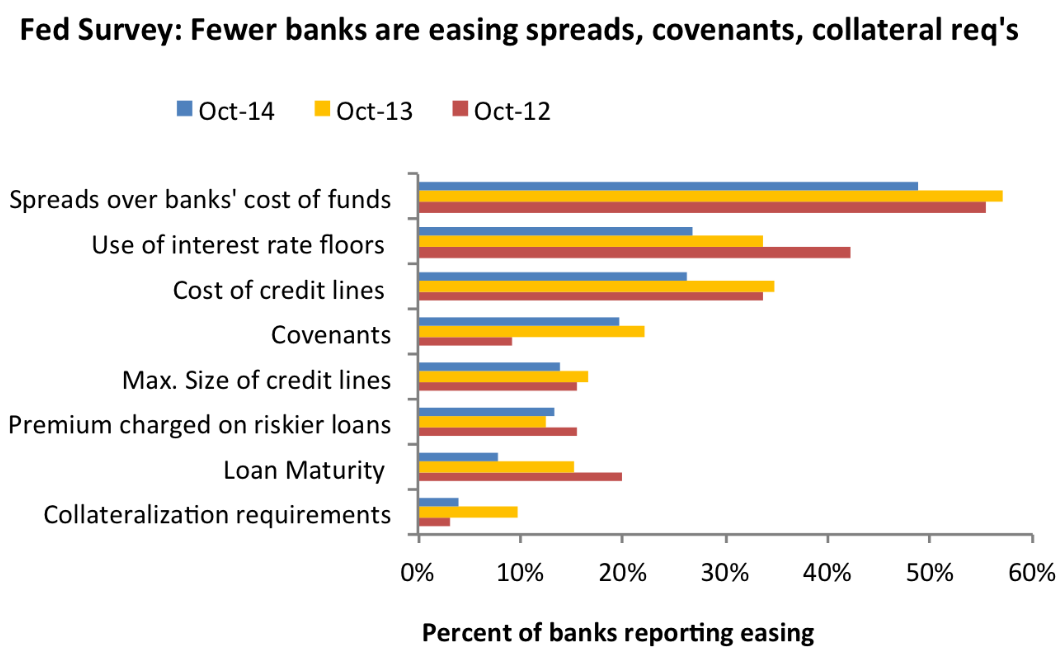
10.5 percent of domestic banks reported easing terms in the last three months to larger firms, roughly on par both with the July survey and the survey at this time last year, according to the latestFederal Reserve Senior Loan Officer Opinion Survey. Roughly 83 percent of large banks said “aggressive competition from other banks or non-bank lenders” was a “very important” driver behind their easing terms over the last three months, up from 77 percent at this time last year.



Fourty-nine percent of all domestic banks surveyed said spreads of loan rates over their bank’s cost of funds have narrowed for larger firms in the past three months compared to 57 percent a year ago. One fifth of U.S. banks reported loosening covenants, down from 22 percent last October. Also of note is the decline in the share of banks reporting an easing of collateralization requirements to just four percent from 10% at this time last year. In addition, 27 percent of banks said fewer interest rate floors are being used on loans to larger firms, down from 34 percent this time last year.Underliers

Contact: Ioana Barza
ioana.barza@thomsonreuters.com