

Covid -19 and Direct Lenders

THE LEAD | April 9, 2020

“We did not underwrite for this.” So said the partner of a top-tier middle market private equity firm, speaking of the challenges dealing with the impact to businesses of #COVID-19.

“We always model downside scenarios for investments,” told us. “But the zero revenue case wasn’t one of them. This is such a dramatic shift from anything anyone has ever encountered. We’re working 24/7 to figure it out.”

How are #DirectLenders helping clients navigate these uncharted waters?

The focus on new deals has pivoted sharply to existing portfolios. Lenders have quickened the pace of loan reviews and accelerated sponsor dialogue about their plans to battle COVID headwinds.

?? Read March 30 2020 newsletter: [here](#)

?? Chart of the Week: [here](#) (by Refinitiv LPC’s 2Q20 Middle Market Lender Outlook; Lender Survey)