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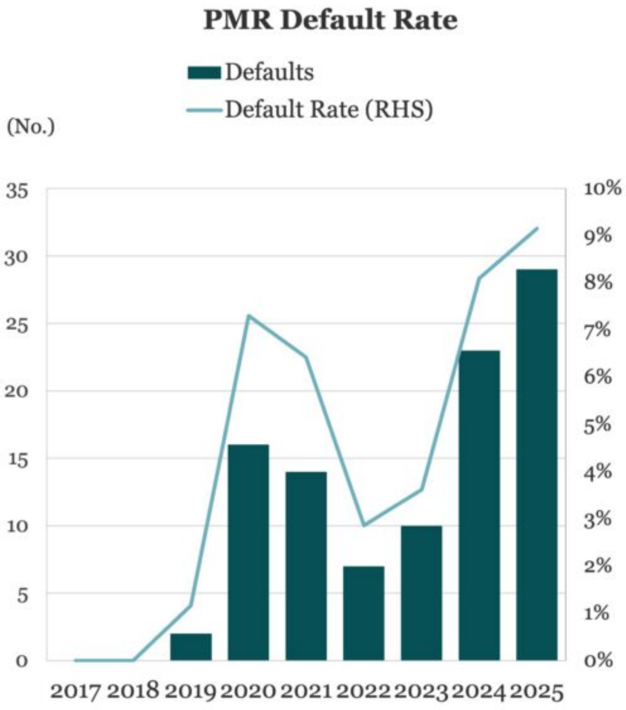
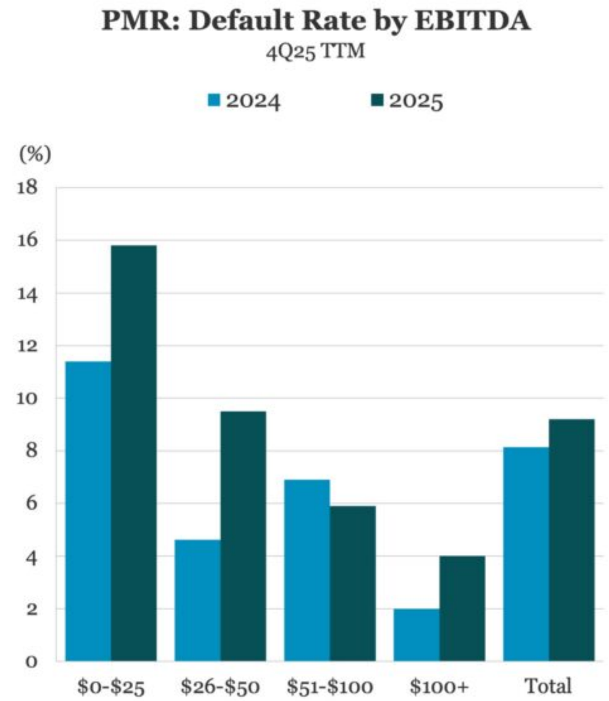
US Private Credit Defaults Hit New Highs but Losses Remain Contained

Fitch Ratings | March 11, 2026



Source: Fitch Ratings



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The default rate in Fitch Ratings' privately monitored ratings (PMR) portfolio hit 9.2% in 2025, a new high, up significantly from 8.1% in 2024. Defaults were not concentrated in any particular sector, though Fitch recorded four defaults in the consumer products sector and three defaults among healthcare roll-ups. The PMR default rate is issuer-weighted and includes only unique defaulters.

Smaller issuers defaulted at a higher rate than larger issuers for the second year that Fitch has been tracking the data. Issuers with $25 million or less of EBITDA defaulted at a rate of 15.8% in 2025, while issuers with more than $100 million of EBITDA had a default rate of only 4%.