The Costs of Senior Stretch and Unitranche

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> “Where to draw the line is also key as we examine #SeniorStretch and #unitranche loans. Besides leverage and loan-to-value, yield is helpful in identifying these financings.
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> Unitranche is a one-stop solution blending senior and junior tranches into one. With more than thirty unitranche suppliers out there, leverage and pricing reflect competition among those firms, rather than relative yield to first-lien or mezz.
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> As our Chart of the Week highlights, first-lien/mezz was the third quarter’s most expensive financing tool among private club lenders, according to Refinitiv LPC.
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> Unitranche has retreated in pricing since earlier in the year. That’s because it’s the most versatile form of leveraged financing. Today’s PE buyers need flexibility and speed of execution more than ever…

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