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# New money loan assets make up 60% of 4Q20 leveraged volume to date

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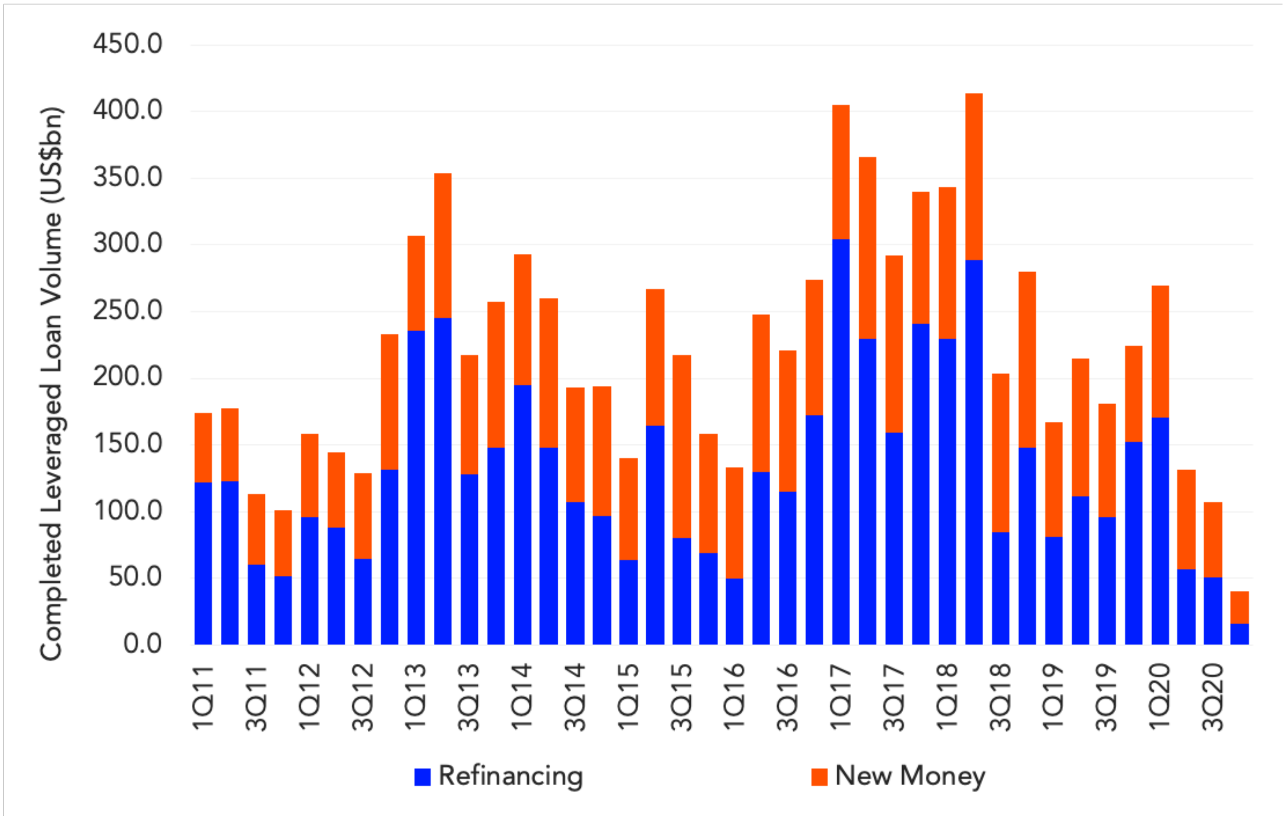


4Q20 US Leveraged loan volume was tracked at $39.8bn through October 22nd, up 8% compared to the $36.9bn raised during the same time last year. Of this total, $24bn or 60% of quarterly issuance thus far represents new loan assets while the balance has been a series of refinancings.

New money deals including M&A and buyout financings have garnered strong demand among institutional investors who have struck a balance between intense credit scrutiny and the need to put money to work in a highly liquid market. Lender appetite remains bifurcated between higher quality credits and tougher, storied names. In what is still a limited pipeline of deals, stronger credits can secure reverse flexes on deal terms. Parts Authority's $600m buyout term loan saw its margin tightened to 400bp from the 425bp originally proposed.

Similarly, Les Schwab Tire Centers on Monday tightened the OID on its US$1.575bn buyout loan to 99.5 from 99 while out of the box margins settled at 350bps, the tight end of discussion which ranged from 350bps-375bps. The seven-year loan will finance the company's buyout by private investment firm the Meritage Group.