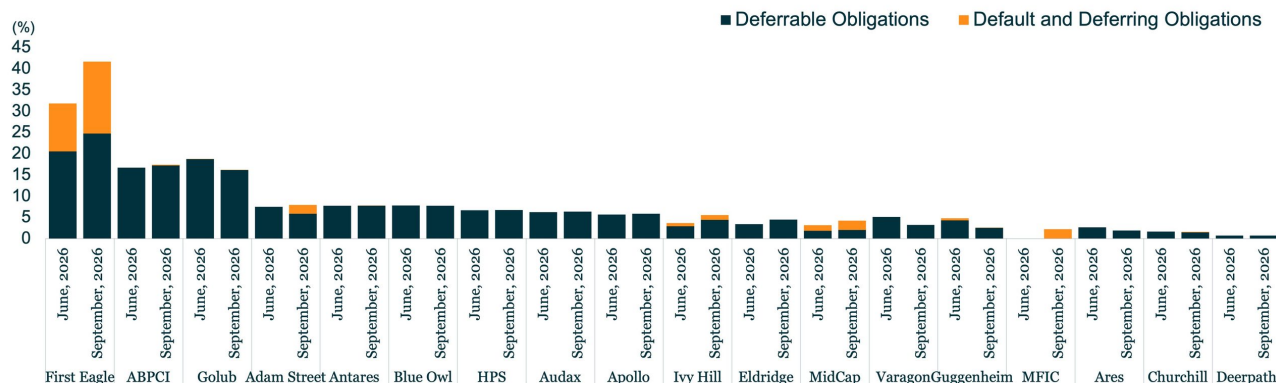


# US Broadly Syndicated Loan CLO Defaults in 3Q26 Driven by Distressed Debt Exchanges

Fitch Ratings | October 14, 2026

**Average Exposure by Manager**



Note: Defaults are Fitch-identified and may differ from CLO reporting based on more recent information. Deferring refers to issuers that are currently PIK-ing the entire coupon payment due. Issuers with Fitch IDRs or credit opinions of 'CC' or below are included in the defaulted and deferring data. Deferrable includes issuers that are allowed to defer interest and issuers that are paying part of their interest due in cash while deferring the rest of the interest due. The denominator includes principal cash and full par for defaulted notional. Managers without any deferrable, default or deferring

Click [here](#) to learn more.

Out of court restructurings drove nearly all default activity within Fitch-rated U.S. broadly syndicated loan (BSL) CLO portfolios in 3Q26, Fitch Ratings says. Distressed debt exchanges (DDEs) comprised 79% of observed defaults held by rated CLOs year to date, putting 2026 on track for the highest annual share since Fitch began tracking the data. This exceeds the previous high of 69% in 2024.

Fitch recorded six obligor default events in U.S. BSL CLOs in September, all of which were DDEs except for Leslie's Poolmart which had filed for Chapter 11 on Sept. 30 and was held in 4% of Fitch-rated CLOs. A total of 16 defaults were recorded in 3Q26, down slightly from 20 in 2Q26 and unchanged from 3Q25. Average default exposure for U.S. BSL CLOs increased slightly to 0.3% from 0.1% in the previous month.