

Why Private Credit Is On The Rise

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NEW YORK, NEW YORK, USA, July 23, 2024 /EINPresswire.com/ -- Private credit, which includes direct lending and asset based lending, is a privately negotiated loan between a borrower and non-bank lender. This financing option has gained significant traction in recent years, especially among family offices who have made it a more important part of their portfolio. According to KKR's 2023 Family Capital Survey, private credit makes up to 16% of Family Office assets, putting it just behind public equities, direct investments, and real estate.

Private credit has grown rapidly as banks have tightened credit practices. According to Preqin, private credit has reached \$1.6T in assets under management globally from just \$375B in 2008. BlackRock projects private credit will exceed \$3.5T by 2028 with the U.S. and Europe as the two biggest markets.

Private credit is often tailored to the borrower's specific needs, especially for small and mid-sized businesses. Debt is usually senior secured and offers the potential for higher yield and increased investor protections through negotiated terms, covenants, and pricing. Senior debt sits above equity investments and gets paid out first upon bankruptcy or default.

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Steven Saltzstein



Neal Neilinger, Managing Director, FORCE Private Credit

“Private Credit provides several advantages for borrowers including faster access to capital, flexible structuring, and enhanced discretion,” said Steven Saltzstein, CEO of [FORCE Family Office](#). “It also provides significant returns for the Family Offices in our network who choose to participate.”

According to Neal Neilinger, Managing Director of [FORCE Private Credit](#), the sweet spot for private credit is a family-owned or private business with \$25M to \$200M in revenue. Most lenders are sector agnostic; however, lenders generally prefer companies that have been in business for more than five years, are EBITDA positive, and have a strong management team.

One of the challenges is finding a private credit lender that is a good fit for your business. According to Neilinger, "As more businesses look to private credit, it can be a difficult landscape to navigate. We have an extensive network of family offices and other private lenders at our disposal. Our goal is to pair each business with the right lender and structure a deal that works for both parties."

Private Credit isn't right for all borrowers. But for those who require liquidity on a shorter timeline, with less red tape, and terms that are customized for the business, Private Lending can be an attractive alternative to traditional institutional lenders.

About Force Private Credit

FORCE Private Credit is a subsidiary of FORCE Family Office and specializes in connecting private lenders and businesses looking to acquire capital for operations and expansion. FPC is led by Neal Neilinger, a seasoned professional who has been a leader in credit markets for 35 years. Prior to joining FORCE, he ran credit trading in London for Lehman Brothers and Deutsche Bank. He also served as an advisor to New York Private Bank & Trust.

About FORCE Family Office

Family Office Research Consulting & Events (FORCE Family Office) is the largest network of deal seeking family offices in the United States. Additionally, FORCE had a substantial and growing presence internationally. In 2023 alone, FORCE hosted more than 160 events. Their team is dedicated to helping family offices connect with private and public companies for co-investment, research, education, and philanthropy.

Harvey Briggs

Force Family Office

+1 608-361-8092

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