Chen and Unterberg in The Drawdown: How Much NAV Lending is Really Going On?

By Craig Unterberg, LeAnn L. Chen | June 18, 2024

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Haynes Boone Partners LeAnn Chen and Craig Unterberg were quoted in an article from *The Drawdown* as the size of the NAV lending market is creating a lot of debate, with a number of institutions publishing market-sizing research. While NAV facilities are not a new structure, interest in them has been much more widespread in the last few years and many lenders, borrowers and advisers are still familiarizing themselves with them.

“NAV facilities vary a lot from industry to industry, lender to lender, and assets to assets, with many different types of structure used,” says Chen, co-chair of the finance practice group. “A lot of the market commentary has been too generalized in its observations and conclusions on the use of NAV facilities."

Borrowers focused on flexibility will still have a small lender pool, with the universe of NAV lenders still much smaller than for subscription lines.

"The ‘down the middle’ facilities for a diversified fund with lower LTVs are getting done but the more bespoke structures may find it harder in the current conditions due to the pricing and a limited lender pool,” says Unterberg.

To read the full article from *The Drawdown*, click here.

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