

# Haynes Boone Fund Finance Report Reveals New Lenders Driving Down Pricing and Fueling Innovation

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February 12, 2025 Brent Shultz

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PRACTICES Fund Finance

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Haynes Boone's new Fund Finance Annual Report reveals a reversal in market dynamics, with facility pricing tightening to pre-2023 levels and a surge of new lenders reshaping the competitive landscape. The increase in market players is also driving innovation, with industry leaders reporting a wave of uniquely tailored financial products at the same time fundraising is expected to increase.

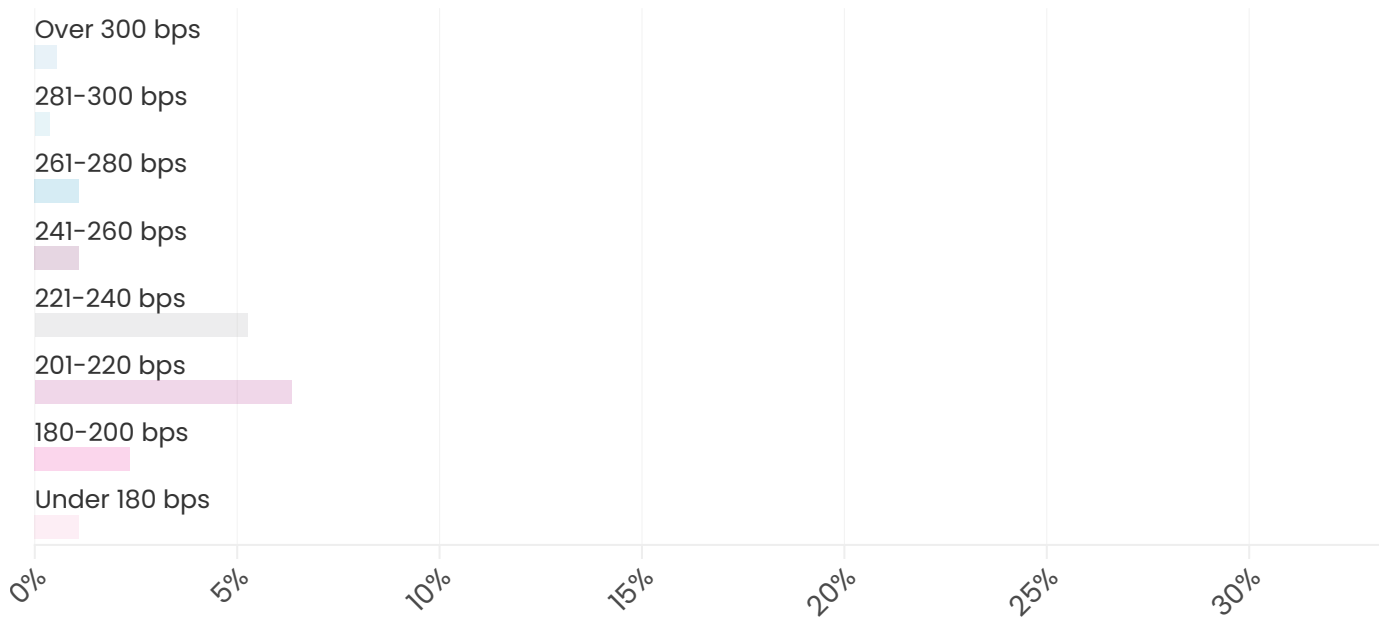
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Based on surveys conducted in late November and January, the new industry report reflects insights from over 200 participants, including representatives from more than 100 of the world's largest financial institutions.

After nearly two years of consistent price increases, subscription line pricing is now compressing, signaling a shift toward a more accessible and cost-efficient market for sponsors while also reflecting increased competition among lenders. In last year's surveys, only 7 percent of respondents saw pricing below 225 basis points (above SOFR). This year, 54 percent reported pricing below 220 bps, a change that directly impacts borrowing costs for private investment funds. Most respondents expect this downward trend to continue throughout the first half of the year.

"We're seeing a real shift in the fund finance market. After a long period of rising costs, pricing is tightening," Haynes Boone [Fund Finance](#) Partner [Brent Shultz](#) said. "It's a sign of a healthy, competitive market with more players than ever before."

## Global - Subscription Line Margin/Spread Pricing in Q4 2024 (for Facilities with a 1-YR Tenor)



Source: Survey Data (by Institution)

Made with \*Flourish

This pricing shift reflects a broader power dynamic change. While lenders previously held considerable leverage, the influx of private capital and non-bank financial institutions has tilted the scales. In last year’s survey, 62 percent of respondents said the market was “lender-favorable” with an added 18 percent calling it “very lender-favorable”. In 2025, though, 44 percent describe it as “borrower-favorable” and another 12 percent in the “very borrower-favorable” camp. It’s no surprise 67 percent of lenders said their top concern for this year is increased competition.

## Compared to the prior year, how do you expect the overall fund finance market deal volume to change in 2025?



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Source: Survey Data

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“Regulatory Changes” was the top concern for lenders last year, with 43 percent saying it was their number one issue. Now, following shifts in the political and regulatory landscape, it ranks fourth, with just 26 percent calling it a potential challenge.

“The data tells a clear story: 2025 is shaping up to be a transformative year for fund finance,” Haynes Boone Fund Finance Partner Aleks Kopec said. “With improved fundraising conditions and a stronger exit environment on the horizon, we’re seeing increased appetite for both traditional and innovative financing solutions.”

Fresh demand, new entrants and a bullish environment have been driving innovation as well. While subscription lines continue to serve as a cornerstone, respondents say they’re increasingly seeing bespoke offerings with unique covenants and custom pricing structures. Over half of respondents reported engaging in or exploring capital relief trades, highlighting a growing trend toward complex and strategic financing options.

“The influx of new players, especially from the private capital space, is transforming the fund finance landscape. They’re bringing fresh perspectives and different risk appetites, which is driving innovation but also creating new complexities in the market,” Shultz said.

**Compared to 2024, 2025 will be a much better exit environment for funds:**



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Source: Survey Data

Made with \*Flourish

The report includes over 40 charts and insights on pricing, subscription line facilities, NAV financings, and the market outlook for 2025.

Haynes Boone is a global leader in fund finance, advising commercial and investment banks, sponsors, and funds across North America, Europe, Latin America, and Asia. The firm has been involved in transactions totaling over \$100 billion in just the past two years, collaborating with both lenders and borrowers, including private credit providers and insurance companies, to structure innovative financing solutions. A pioneer in the industry since the 1980s, Haynes Boone continues to shape the market with cutting-edge fund finance strategies.