# Debt Finance 2025: USA – North Carolina

May 6, 2025 Justin Riess, Isaac Neill, David Zhou

PRACTICES Finance

Haynes Boone attorneys Justin Riess, Aleks Kopec, Isaac Neill and David Zhou authored a chapter on debt finance in North Carolina for the *Chambers* Debt Finance 2025 Guide.

Read an excerpt below:

**Introduction**

North Carolina has established itself as a powerhouse in the banking and financial services sector, earning its reputation as the second-largest banking centre in the United States, after New York City. Anchored by the city of Charlotte, which serves as the headquarters for major financial institutions such as Bank of America and Truist Financial, the state boasts a thriving and diversified economy with a highly skilled workforce concentrated in the financial, technology and healthcare sectors. With its geographically strategic location, supportive business environment and strong ties to growing fintech and technology industries, North Carolina continues to play a pivotal role in shaping the nation's financial landscape and trajectory.
The lending market in North Carolina is driven by traditional commercial banks. Although private credit and alternative direct lenders have become more prominent over the last decade, commercial banks continue to serve as an essential source of capital for growing and established companies. Lending activity originating out of North Carolina is also national in scope and industry-agnostic, and, as such, recent trends witnessed in North Carolina are in many respects the same as those impacting lending markets more broadly across other financial centres in the United States.

**General Economic Trends**

***Interest Rate Adjustments***

Rate cuts implemented by the Federal Reserve played a significant role in shaping lending dynamics in North Carolina over the past year. While modest in scope, interest rate reductions in 2024 signalled the end of an era of tightening in response to inflation. While the persistence of high interest rates relative to the "free money" era during the COVID-19 pandemic has continued to dampen mergers and acquisitions (M&A) activity, corporate borrowers that opportunistically increased leverage during the "free money" era are increasingly facing the end of scheduled five-year maturities and in need of refinancing.

***Regulatory Considerations***

Following the recent Republican sweep of the Presidency and Congress, the lending community anticipated an easing of regulations, increased M&A activity, and an overall more business-friendly lending environment. However, in important respects the political and supervisory priorities of the new administration remain in a state of evolution. While no material banking deregulatory initiatives have yet been formally implemented, it seems likely there will be an effort in 2025 to reduce capital requirements for smaller banking institutions, and the Treasury Secretary of the new administration

© 2026 Haynes Boone

has indicated that “all the bank regulations” may be subject to a forthcoming “reexamination”. In particular, the use of governmental power to curtail private sector “diversity, equity and inclusion” (DEI) initiatives has emerged as a top political priority, with the President’s handpicked chairman of the Federal Communications Commission threatening to block mergers involving companies that promote “invidious” diversity policies.

Adding to the present uncertainty, there are numerous cases of the new administration testing the constitutional limits of executive power by acting to fire personnel of independent federal agencies, including two commissioners of the Federal Trade Commission, setting the stage for near-term litigation in the Supreme Court over the separation of powers. Notwithstanding the strong push by the new administration for personnel changes, the chairman of the Federal Trade Commission has emphasised that existing antitrust cases and investigations against large technology companies will remain a priority for the new administration, raising concern among some in the business community as to the influence of so-called “Khanservatives”.

What is reasonably clear at this juncture is that the political and supervisory priorities of the new administration are likely to diverge in important respects from the priorities of both recent Democratic and Republican administrations, including the first Trump administration. Traditional banks will need to remain vigilant in monitoring both domestic and international political developments, address existing supervisory findings, and prioritise attention to corporate governance and public communications (in particular, around DEI and “environmental, social and governance” initiatives) to navigate uncertainties as the new administration’s political and supervisory priorities sharpen into focus over the course of 2025.

Read the full guide from *Chambers* here.

© 2026 Haynes Boone