Press Release

Private Credit: What's the Fuss?

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Private credit has become one of the fastest-growing segments of the U.S. financial system, totaling more than $1.7 trillion in assets under management. In a new insight, Director of Competition Policy Fred Ashton provides an overview of the U.S. private credit market and discusses its benefits and risks.

Key points:

- *Unlike publicly traded securities, private credit involves debt that is directly issued to borrowers by nonbank lenders and is not traded on open markets.*
- *While private credit is a small fraction of the fixed-income market, its rapid growth, illiquidity, opacity, and interest rate structure have raised concerns about risks to broader financial stability.*
- *Continuing to monitor the sector, specifically during periods of financial stress, can help regulators and market observers better understand the economic benefits to the economy as well as the systemic risks posed by private credit.*

Read the analysis.