

FUND FINANCE FRIDAY

Also in This Issue

February 1, 2019 | Issue No. 12

2019: A Year for the Borrower?

Debevoise & Plimpton LLP this week released an article spotlighting borrower-friendly trends that have emerged in the expanding fund finance market.

As the menu of lenders and financial products available to borrowers in the current fund finance market has grown (and continues to grow), the competitive landscape has similarly re-shaped and reactively shifted slightly in favor of borrowers. This is evident in Debevoise's article, which highlights lenders' increased leniency in financial covenants, an increased use of borrower default cure periods, and a general willingness of lenders to accommodate issues in side-letters, to name but a few of these borrower-friendly trends.

Debevoise predicts that the trend towards borrower-friendly provisions will continue in 2019 but cautions that the recent political and financial volatility coupled with the Abraaj aftermath, have yet to fully play out. The link to this article is [here](#).

Private Equity International Article on Fund Finance

On January 29, *Private Equity International* published an article, titled "Fund finance is here to stay." The premise of the article is that the fund finance markets continue to be busy and that rising interest rates have not created headwinds for facility demand. The article also includes some speculation as to what might cause the markets to slow. The article is available [here](#).