

**PUBLICATIONS**

# Considerations for CLO Participants in Light of COVID-19

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COVID-19's impact on the Collateralized Loan Obligation ("CLO") and leveraged loan markets has been significant and will continue to intensify. Fitch estimates a 5-6% default rate (up from 1.1% in 2019) for leveraged loans as a direct result of COVID-19. This would equate to approximately \$80 billion of lost value, which is double Fitch's initial 2020 estimate, and exceeds the 2009 high achieved during the last great financial crisis. In this article, partners Craig Stein and Douglas Koff and former Schulte lawyer James Bentley discuss the impact of the COVID-19 pandemic on the CLO market.

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## Related People



**Craig  
Stein**

Partner  
New York



**Douglas  
Koff**

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