

Feeling Bullish: A Career in Private Credit

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Interest in private credit has grown significantly in the past 12 months. As the syndicated market has slowed, direct lenders (and borrowers) are finding better deal flow and increased opportunities. Market pundits have deemed this the “golden age” of private credit. Job seekers – both new and seasoned professionals – are also looking at the sector with renewed interest. So why is private credit suddenly such an attractive proposition to investment professionals and advisors?

We asked [Mike Mezzacappa, Co-Head of Private Credit at Proskauer](#) and [Evan Palenschat, a Partner in Proskauer’s Private Credit Group](#) to share their thoughts on the growing interest in private credit.

Mike: I have been a private credit lawyer for almost my entire career, even before it was labeled “private credit,” and I cannot ever recall seeing as much interest in the sector as there exists today. The current economic uncertainty and closure of the syndicated markets continue to create opportunities for private credit lenders, who are much better equipped than their institutional counterparts to deal with issues such as rising interest rates and defaults.

Evan: Private credit is clearly a long-term path for investment professionals and attorneys. The hype is real! While the industry has grown drastically in the last two decades, it shows no signs of letting up (and some analysts are actually predicting that it will double in size in the next five years). Professionals in the private credit arena will have the opportunity to ride this market growth regardless of whether or not defaults rise. The industry is largely counter cyclical and when the market is more volatile, direct lenders can be more nimble and more creative than the institutional lending sector. Direct lenders are usually better positioned to weather any corrections in the market, given protections in their documentation and their relationships with private equity sponsors.

"One of the most exciting things about being a private credit lawyer is the opportunity to be involved in (often novel) transactions that require a lot of creative and “outside-the-box” thinking to get done. Pair that with the sector’s continued growth and stability as well as the opportunity to work with sophisticated private credit lenders who often become long term partners – why wouldn’t you want to be a part of that?"

Mike Mezzacappa

Mike: Absolutely — and firms dedicated to serving private credit lenders must be prepared to provide expert counsel in good times and in bad. A good private credit practice will have a mix of lawyers whose expertise focuses on different facets of the sector, so it meets the firm’s and clients’ needs no matter the environment.

Mainstream Market Appeal

Evan: What the media and market hype around private credit has done is expose a new generation of investment professionals to a premier option in finance that they weren’t previously considering.

Mike: Broadly speaking, attracting new attorneys (and investment professionals) to private credit was a challenge up until the past few years. They didn’t quite know what it was, were concerned about committing to it long term or, oftentimes, viewed private credit as less interesting than private equity.

Fast forward to today and young lawyers are finally seeing private credit as a real opportunity. The market has weathered the turbulence of the macro-economic environment well and firmly established itself as an asset class that will continue to attract capital in the long term. Finance professionals – both junior and senior – are now keen to get in the door.

Evan: Law and business schools have also begun exploring the industry in depth – whether in articles or in classes. It’s really captured people’s attention and helped drive the shift.

People are increasingly more aware of the sector than they were a few years ago and private credit has become a mainstream topic of conversation in finance circles.

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Tapping Into Talent

Mike: The sector really has become an attractive career path for lawyers and others looking for more diversity in the types of transactions that they do and the clients that they work for.

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Evan: People underestimate the sheer amount of opportunity there is – for lawyers, for lenders, for everyone. The asset class still has a lot of growth potential, and the returns are impressive, and that appeals to talent. Firms are catching up to that now. Many are starting to brand practices as “private credit” or “direct lending” because they can become flagship revenue generators. We’ve had that model at Proskauer for many years and we know it works for our team members and clients.

Evolving Alongside the Asset Class

Evan: I was drawn into private credit by the sophistication and creativity of the practice. To be a legal expert in this field, you have to have a deep understanding of not only the underwriting principles that our clients require, but also a sophisticated view on market terms and business dynamics to help your clients win deals and new business.

Mike: We've represented direct lenders since the infancy of the asset class and work on both healthy and distressed deals. We have – and have always had – an integrated team of private credit, private equity, restructuring and tax lawyers who are as well-versed in advising with respect to troubled credit investments as they are with respect to performing credits. I have always enjoyed the variety in the transactions as well as the opportunity to work with clients to craft solutions to novel issues.

I have also enjoyed developing and maintaining relationships with the investment and legal professionals who, like me, were drawn to private credit (or were even pioneers of the sector), some of whom I know and have worked with for over 20 years.

Evan: I joined the Firm as the first boots-on-the-ground partner in Chicago for our Private Credit Group to help expand Proskauer's brand into the Midwest. A number of large asset managers have (or are growing) a significant presence in the region. It's incredibly important to be able to scale alongside them, and we are focused on doing just that from Chicago to Paris as well as in cities where we have a historical presence like New York, Boston and London. It's a really exciting platform to be a part of and to serve private capital as they – and the asset class – grow.

[Related Professionals](#)

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