

PRESS RELEASE

ELFA and Akin Launch Fourth Instalment of Transferability Series, Spotlighting Growing Concerns Around Portability Provisions in Leveraged Loan Documentation

London, 3 December 2025 – The European Leveraged Finance Association (“ELFA”), with partner, international law firm Akin, today release the fourth issue of its *Transferability Series*, focusing on the rapid rise of portability provisions in leveraged finance documentation and the resulting implications for lender rights, transparency, and market standards that can lead to the detriment of lenders and wider market discipline.

ELFA and Akin warn that the growing prevalence of portability provisions risks eroding long-established lender protections, especially around change-of-control mechanisms. With portability clauses frequently relying on broad AUM thresholds, permissive sponsor whitelists, and limited clarity around triggers or interactions with other provisions, lenders may be left unable to accurately assess risk, price loans, or exit positions when ownership changes.

Ed Eyerman, CEO at ELFA commented: “Our goal is to promote clearer, more consistent, and more transparent standards that give lenders meaningful visibility into sponsor intentions and prevent the gradual weakening of fundamental protections. In this instalment we have highlighted the concerns around portability provisions, and we hope that by addressing these issues now, we can support a healthier leveraged finance ecosystem where all stakeholders can operate with confidence.”

Key concerns highlighted in the report include:

- **Lack of transparency:** Broad and loosely defined eligibility criteria can leave lenders exposed to unknown or unsuitable sponsors with divergent credit profiles or investment strategies.
- **Reduced flexibility for lenders:** Portability can trap lenders in transactions they would otherwise exit, particularly in stressed market conditions, and without the opportunity to review new sponsor suitability.
- **Erosion of lender protections:** Increasingly complex documentation has led to ambiguity in change-of-control mechanics, call protection, and lender rights, weakening core creditor safeguards.
- **Risk of setting unfavourable precedents:** As portability provisions become more common, they risk becoming boilerplate, reducing scope for meaningful negotiation and entrenching sponsor-favourable terms in future deals.

To counter these trends and support a more transparent and liquid market, the report sets out a series of proposed reforms aimed at restoring balance and predictability. This includes: tightening sponsor eligibility criteria, such as requiring named sponsors, stricter AUM thresholds, demonstrated track records, and compliance with leverage and equity contribution requirements; reintroducing evaluative triggers to ensure lenders can assess a new sponsor’s creditworthiness, business plan, and alignment before portability can be exercised and limiting portability to defined time windows, to prevent indefinite exposure and requiring disclosure of exit intentions, ensuring transparency around whether portability is being included for imminent sale processes.

Further reports as part of the transferability series can be accessed [here](#).

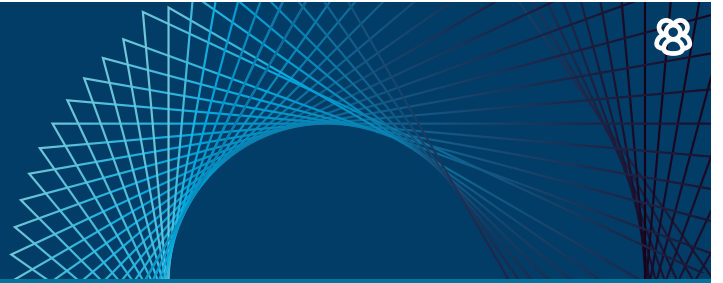
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About Akin:

Akin is a leading international law firm with more than 900 lawyers across 19 offices in, Europe, Asia, the Middle East and United States. Akin's top-ranked Financial Restructuring practice is widely regarded as one of the most experienced and innovative globally. The team advises creditors, sponsors, and distressed investors on some of the most high-profile and sophisticated restructurings across Europe and beyond. Akin's market-leading Capital Solutions practice brings together expertise in leveraged finance, private credit, and bespoke capital structuring, and the team is at the forefront of advising clients on creative and flexible financing strategies, including preferred equity, hybrid instruments, and NAV-based lending.

With a strong presence in London and across Europe, Akin is a trusted adviser to financial sponsors, credit funds, and institutional investors navigating today's dynamic leveraged finance landscape

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About ELFA

The European Leveraged Finance Association (ELFA) is a buy-side-only trade association comprised of European investors and non-bank lenders in the high-yield, leveraged loan, CLO and private debt markets. Its membership consists of more than 55 institutional fixed income managers, including investment advisors, insurance corporates and pension funds. ELFA seeks to support the growth and resilience of the leveraged finance market while acting as the voice of its lender community by promoting transparency and facilitating engagement among leveraged finance market participants. For more information, please visit ELFA's website: www.elfainvestors.com.

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