

## Non-Bank Lender Confidence Climbs to Three-Year High Amid Shifting Market Dynamics

*SFNet's Q1 2026 survey shows lender sentiment diverging as borrowers increase facility utilization and economic uncertainty reshapes financing activity.*

**NEW YORK, NY, July 1, 2026** – As traditional banks pulled back in the first quarter of 2026, non-bank lenders moved in the opposite direction, posting their highest confidence reading in more than three years. New data from the Secured Finance Network underscores how rising inflation and geopolitical uncertainty are reshaping the financing landscape for American businesses.

According to the Q1 index, bank and non-bank lender confidence moved in opposite directions during the first quarter of 2026. Bank confidence declined seven points to 55, slipping into neutral territory, while non-bank confidence rose nine points to 67, reaching its highest level in more than three years.

"While the U.S. economy has demonstrated resilience through the first half of 2026, inflationary pressures and geopolitical uncertainty continue to influence lender expectations," said SFNet CEO Rich Gumbrecht. "The divergence between bank and non-bank sentiment highlights the different opportunities and challenges facing lenders in today's market."

The first quarter of 2026 was a relatively quiet one for both bank and non-bank lenders:

- Total commitments for banks were unchanged from Q4 2025, while total commitments for non-banks increased 1%.
- New outstandings fell 26.0% for banks and 70.4% for non-banks.

"New outstandings" refers to new amounts of money that a borrower has drawn or borrowed under an asset-based lending facility during a specific period.

Despite slower new deal activity, utilization rates increased for both lender groups as borrowers drew more heavily on existing facilities. Bank utilization rose 1.7 percentage points to 38.4%, while non-bank utilization increased 2.5 percentage points to 54.6%.

"Lending growth moderated in the first quarter as borrowers took a cautious approach to new transactions," Gumbrecht said. "At the same time, portfolio performance remains solid, utilization rates are rising, and lenders are well-positioned to support clients as market activity gains momentum later this year. We are already seeing a big uptick in demand in Q2."

Bank portfolio performance was mixed during the quarter. Criticized and classified loans declined as a share of outstandings, while non-accruals edged higher and gross write-offs declined.

Non-bank portfolio performance was similarly mixed. Non-accruals increased during the quarter, but gross write-offs improved and no non-bank lenders reported an increase in write-offs.

The Q1 2026 Asset-Based Lending Index and Lender Confidence Index are based on survey data from leading bank and non-bank lenders. Full quarterly and annual data reports are available at: [SFNet Asset-Based Lending & Factoring Surveys](#).

### **About Secured Finance Network**

Founded in 1944, the Secured Finance Network is an international trade association connecting the interests of companies and professionals who deliver and enable secured financing to businesses. With more than 1,000 member organizations throughout the U.S., Europe, Canada and around the world, SFNet brings together the people, data, knowledge, tools and insights that put capital to work. For more information, please visit [SFNet.com](#).

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