

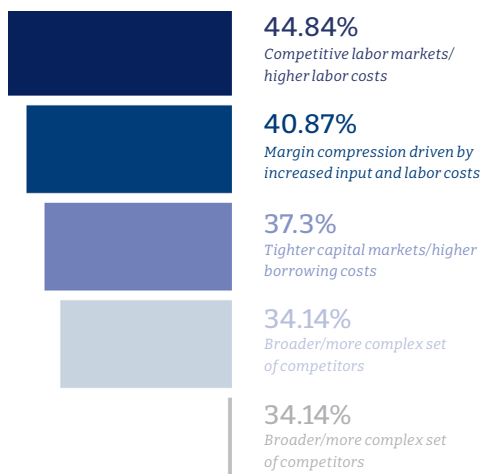
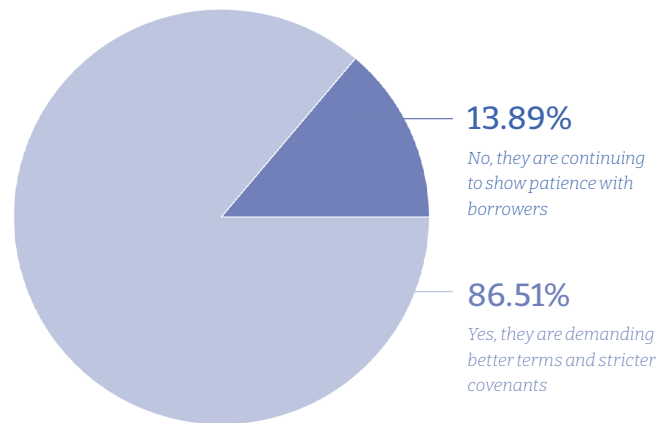
# Companies Turning to Alternative Financing Sources as Banks Apply Increased Pressure

A new survey of the middle marketing lending environment sponsored by Carl Marks Advisors highlights the changing nature of the relationships between banks and middle market borrowers. As we enter a post-pandemic world, lenders are exhibiting less tolerance with borrowers when not meeting financial targets.

Given current economic headwinds and higher interest rates, are you seeing traditional lenders applying more pressure to their middle market borrowers and exhibiting less tolerance for missing financial targets?

**KEY TAKEAWAY:**

86% of middle market companies are noticing traditional lenders applying more pressure and showing less tolerance when borrowers miss financial targets.



What, if any, are the leading challenges middle market companies are facing as a result of the current economic environment? (Select up to 2)

**KEY TAKEAWAY:**

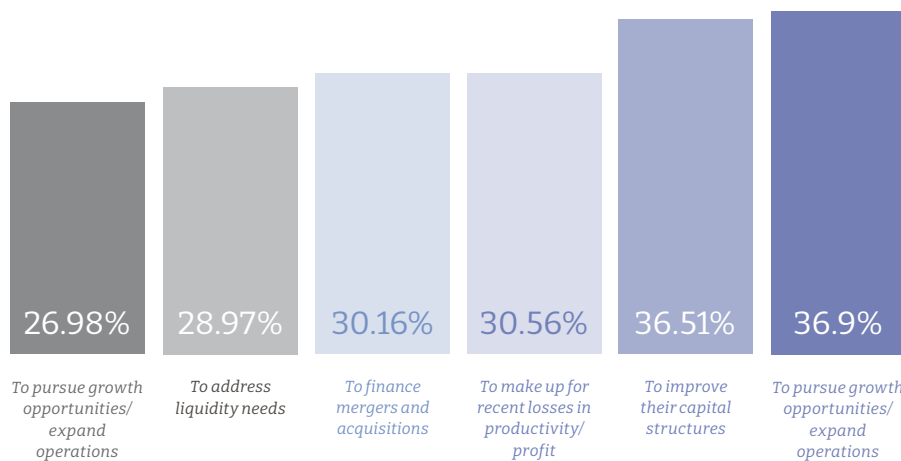
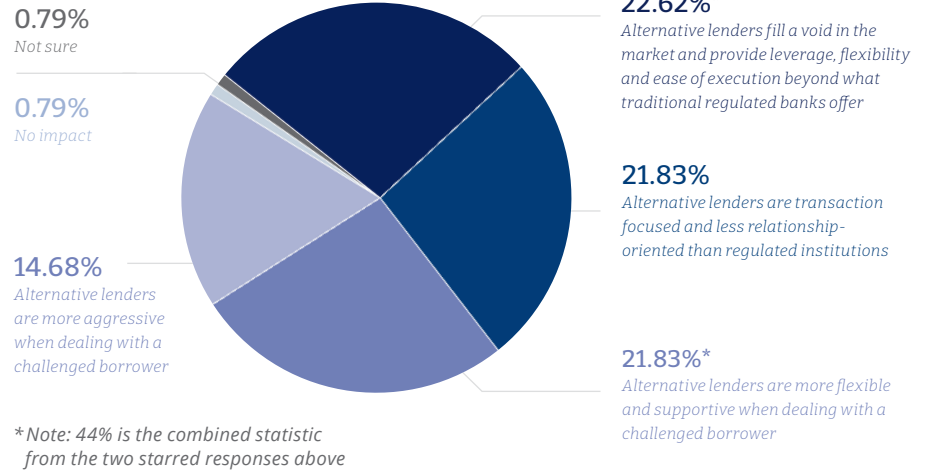
44% of survey respondents say high labor costs are the leading challenge that middle market companies are currently facing.

With banks applying more scrutiny to borrowers, alternative lenders play a bigger role in the middle market

As alternative lenders become a larger part of middle market lending landscape, what, if any, is their impact on borrowers and lender groups?

**KEY TAKEAWAY:**

44% of survey respondents feel that alternative lenders play an increasingly important role in providing flexible lending options.



What are the most important factors leading middle market companies to seek new financing at this time? (Select up to 2)

**KEY TAKEAWAY:**

Rising inflation is one of the key factors causing middle market companies to seek new financing at this time.

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