

LENDING CLIMATE IN AMERICA

J.S. HELD LENDING SURVEY

Q2 2026 REPORT

Insights from US Lenders on Credit Conditions,
Risk Appetite & Market Expectations



EXECUTIVE SUMMARY

The Q2 2026 Lending Climate in America survey suggests that lenders remain cautious, but their concerns are becoming more selective. Geopolitical risk and interest-rate policy continue to rank among the most frequently cited factors expected to affect the economy over the next six months, while constrained liquidity, stock market stability, recession risk, and political uncertainty are clustered closely together.

Industry volatility expectations remain concentrated in Finance & Insurance and Energy & Power, although Finance & Insurance declined from the prior quarter after a sharp increase in Q1. Energy & Power remained essentially stable quarter over quarter, while Consumer Products & Services, Agriculture, and Healthcare ranked among the next most frequently selected sectors in Q2.

Customer plans continue to point toward measured growth activity. Respondents most frequently reported that customers are planning to introduce new products or services, make new capital investments, raise additional capital, hire employees, and enter new markets over the next six months. At the same time, lenders continue to show discipline in loan structure, with respondents more likely to maintain or tighten loan structures than relax them across most loan-size categories.

1. FACTORS WITH STRONGEST POTENTIAL TO AFFECT NEAR-TERM ECONOMY

Lenders were asked which factors had the strongest potential to affect the US economy in the next six months. Geopolitical risk, including war, remains the dominant factor when compared to Q1 2026 (46.2%). Policy risk – encompassing interest rates (32.52%) – has become slightly more prominent in Q2 compared to 31.3% in Q1. Lenders see the possibility of a US recession, constrained liquidity in capital markets, and stock market volatility as lower risks.

Factors Affecting Near-Term Economy	Q3'2025	Q4'2025	Q1'2026	Q2'2026
Geopolitical Risk/War	44.2%	41.0%	46.2%	42.4%
Policy Risk (Interest Rates)	36.4%	28.2%	31.3%	32.5%
Constrained Liquidity in Capital Markets	13.0%	17.9%	26.4%	27.6%
Stability of the Stock Market	18.2%	15.4%	31.7%	27.1%
US Recession	23.4%	20.5%	23.1%	27.1%
Political Uncertainty	39.0%	46.2%	22.6%	26.6%
Looming Debt Crisis	13.0%	20.5%	23.6%	20.7%
US Budget Deficit	10.4%	10.3%	21.2%	18.7%
Unstable Energy Prices	2.6%	0.0%	13.9%	13.8%

Note: Q3 2025, Q4 2025, and Q1 2026 figures are from the prior report's comparison table. Q2 2026 figures are from the Q2 survey data. "Looming Debt Crisis" appears in the Q2 data but not in the prior comparison table reviewed for this draft.

2. INDUSTRIES EXPECTED TO EXPERIENCE GREATEST VOLATILITY

When asked which industries are expected to experience the most volatility over the next six months (e.g., Chapter 11 filings, declining profits, M&A activity), lenders' expectations remain concentrated in the financial and energy sectors, signaling continued pressure in rate-sensitive and capital-intensive sectors. While lenders in Q2 believe the finance and insurance sector will again experience the most volatility (46.31%), that was significantly lower than in Q1 (63%).

Lending Climate in America

Industries Experiencing Most Volatility	Q3'2025	Q4'2025	Q1'2026	Q2'2026
Finance & Insurance	10.5%	25.4%	63.0%	54.2%
Energy & Power	13.2%	10.2%	34.6%	34.0%
Consumer Products & Services	23.7%	35.6%	22.6%	26.1%
Agriculture	2.6%	30.5%	12.5%	22.7%
Healthcare & Social Assistance	26.3%	38.1%	18.3%	22.2%
Real Estate & Rental/Leasing	39.5%	25.4%	15.9%	17.7%
Public Administration	21.1%	12.7%	14.9%	17.7%
Construction	28.9%	10.2%	19.2%	14.8%
Educational Services	12.2%	7.6%	11.1%	14.8%
Accommodation & Food Service	5.3%	12.7%	11.1%	14.3%
Tech, Media, & Telecom	15.8%	7.6%	26.0%	12.3%
Manufacturing	15.8%	5.1%	10.1%	10.8%
Retail Trade	55.3%	43.2%	12.5%	10.3%
Cannabis	7.9%	7.6%	8.2%	10.3%
Transportation & Warehousing	5.3%	12.7%	4.3%	5.9%

Note: For consistency with prior-quarter reporting, Q2 Financial Services and Insurance responses have been combined into Finance & Insurance. Certain Q2 categories were not presented as separate categories in the prior report and are marked N/A where a direct comparison is not available. Because Q2 results are available at the summary level, the combined Finance & Insurance figure reflects aggregate selections and may include overlap if respondents selected both categories.

3. CUSTOMERS' PLANS IN THE NEXT SIX TO TWELVE MONTHS

Lenders were asked what actions they believe their customers have planned over the next six to twelve months. Customers' strategies are pivoting away from M&A toward organic growth, with increased focus on product innovation alongside still-elevated (but volatile) capital raising activity. Lenders believe that customers are increasingly planning to introduce new products and services, rising to 48.28% in Q2 from 45.7% in Q1. Additionally, expectations about capital investment in new projects dipped slightly to 46.31% in Q2 from 48.6% in Q1. However, lenders' expectations that customers' plans for hiring new employees fell significantly in Q2 to 39.41% from 43.3% in Q1.

Customers' Plans	Q3'2025	Q4'2025	Q1'2026	Q2'2026
Raising Additional Capital	58.0%	64.0%	37.5%	48.3%
Introducing New Products or Services	34.0%	31.0%	45.7%	46.3%
Entering New Markets	18.0%	21.0%	34.6%	44.3%
Capital Improvements	24.0%	18.0%	48.6%	39.4%
Hiring New Employees	21.0%	10.0%	43.3%	37.9%
Making an Acquisition	34.0%	33.0%	21.2%	16.7%
"Other" Initiatives	13.0%	13.0%	1.4%	0.0%

Note: Q3 2025, Q4 2025, and Q1 2026 figures are from the prior report's comparison table. Q2 2026 figures are from the Q2 survey data. The Q1 report used "Capital Improvements"; the Q2 survey uses "Making new capital investments."

4. U.S. ECONOMY GRADE – NEXT SIX MONTHS

Lender sentiment on the economy weakened into early 2026 but is showing signs of stabilization, though confidence remains below late-2025 levels. A smaller percentage of lenders believe the economy will perform at an "A" level, dropping to 11.82% in Q2 from 17.8% in Q1. The majority of lenders expect a "B" level or below over the next six months. Beyond the next six months, the majority of lenders expect that "B" level performance to continue.

Lending Climate in America

Grade	Q3'2025	Q4'2025	Q1'2026	Q2'2026
A	8.0%	0.0%	17.8%	11.8%
B	53.0%	49.0%	24.0%	34.5%
C	29.0%	41.0%	33.7%	30.5%
D	11.0%	10.0%	18.3%	13.8%
F	0.0%	0.0%	6.3%	9.4%
Weighted Average	2.58	2.38	2.29	2.26

Note: Q3 2025, Q4 2025, and Q1 2026 figures are from the prior report's comparison table. Q2 2026 figures are from the Q2 survey data. Q2 weighted average is calculated using A = 4, B = 3, C = 2, D = 1, and F = 0, consistent with the prior report's grading structure.

5. LOAN STRUCTURE

Lenders were asked whether their financial institutions planned to tighten, relax, or maintain their loan structures (collateral requirements, guarantees, advance rates, loan covenants, etc.). Although a majority of lenders surveyed plan to maintain their current loan structure (51%), this represents a continued decrease from respondents in Q1 (55%) and Q4 of 2025 (74%). Lenders are moving away from a “maintain” stance toward a mix of tightening and selective easing, particularly in smaller loans.

	Q3 2025			Q4 2025			Q1 2026			Q2 2026		
	Tighten	Maintain	Relax	Tighten	Maintain	Relax	Tighten	Maintain	Relax	Tighten	Maintain	Relax
Loans > \$25 million	24%	74%	3%	15%	85%	0%	37%	49%	15%	41%	46%	12%
\$15 – 25 million	26%	71%	3%	13%	85%	3%	30%	58%	12%	33%	57%	9%
\$5-15 million	21%	76%	3%	23%	69%	8%	18%	60%	22%	29%	53%	18%
Under \$5 million	32%	58%	11%	31%	59%	10%	20%	55%	25%	26%	47%	27%
Overall Average	26%	70%	4%	21%	74%	4%	26%	55%	19%	32%	51%	17%

Note: Q3 2025, Q4 2025, and Q1 2026 figures are from the prior report's comparison table. Q2 2026 figures are from the Q2 survey data. Q2 overall average reflects the average across the four loan-size categories.

LENDING CLIMATE IN AMERICA

CONNECT WITH OUR LENDING & RESTRUCTURING EXPERTS

J.S. Held's financial advisory experts help lenders, investors, and stakeholders navigate complex credit environments, evaluate risk, and identify opportunities across market cycles.

Through our Strategic Advisory practice, we support clients facing evolving market conditions, liquidity challenges, and operational uncertainty with actionable, data-driven insights.

PRIMARY CONTACT

Michael E. Jacoby, CTP
Senior Managing Director
Strategic Advisory Practice Lead
michael.jacoby@jsheld.com
+1 610 888 9704



Find your expert.®

JSHELD.COM