



## Insights

### Victor D. V. Clementino and Sergio de Aguiar Discuss Private Credit Expansion in LatAm with Octus

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As the global private credit market is expected to double in size by 2028 to \$3.5 trillion from \$1.7 trillion, institutional investors are increasingly turning to Latin America in search of diversification and higher yields. In a recent interview with Octus (formerly Reorg), Kobre & Kim's Victor D. V. Clementino and Sergio de Aguiar shared insights on why Latin America is becoming an increasingly attractive destination — especially as the U.S. market shows signs of saturation. They also discussed how the oversupply of capital is pushing lenders to take on more risk, including by easing traditional protections such as collateral requirements, guarantees, and covenant strictness. This shift, they noted, presents both opportunities and challenges for investors and borrowers alike in the region's evolving credit landscape.

"In cases where the borrower defaults, enforcement becomes particularly challenging if the loan is under-collateralized, which is often the case in sectors with few tangible assets, such as software or financial services," Dias Vieira said. "Riskier loans can lead to more complex collection procedures, frequently spanning multiple jurisdictions, including offshore, and not uncommonly involving allegations of misconduct or even fraud, some of which could be avoided with proper diligence."

[Click here](#) (subscription required) to read their take on how private credit players are eyeing the region for fresh opportunities and what legal and enforcement considerations are key to watch.