



Commercial Lending Market Insight - Q3 2025

Commercial borrowers see lower spreads amid rate cuts, heightened competition

September 30, 2025

Executive Summary:

The decision by the U.S. Federal Reserve to cut interest rates at its September 2025 meeting is good news for commercial borrowers in more ways than one. Not only will the 25 basis point reduction in the Fed Funds Rate lower base rates on loans, but data from recent history also suggests that the prospect of additional Fed easing might influence lower spreads on floating rate commercial and industrial (C&I) loans.

Methodology:

CLA is a unique offering, backed by our market-leading data set of commercial loan transactions used to help measure a bank's relative performance compared to independent, third-party metrics. Our experience in cleansing and standardizing commercial loan data, combined with our strong business knowledge and analytical methods, enables us to understand detailed pricing levels and trends nationwide. Our clients are principally top 40 U.S. commercial banks by asset size, with Crisil Coalition Greenwich collecting data on nearly 1.7 million loans on a monthly basis, accounting for \$1.9 trillion in commitments.



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