



Congress of the United States
House of Representatives
Washington, DC 20515

May 8th, 2026

Orice Williams Brown
Acting Comptroller General
U.S. Government Accountability Office
441 G St., NW
Washington, DC 20548

Dear Ms. Williams Brown:

Private credit has emerged as a significant asset class, which like other investments has its own risks and rewards. As an alternative investment that has grown to \$2 to \$3 trillion, according to various estimates, it is usually associated with professional, institutional, or wealthy investors. However, retail investors have increasing access to private credit through various investment products.

Investment of retirement assets in private credit has largely been limited to defined benefit plans, but the Department of Labor recently issued a proposed safe harbor rule that may encourage the increased use of investments with allocations to private credit and other alternative assets by defined contribution plan sponsors. DOL's safe harbor complements regulatory actions and efforts by the Security and Exchange Commission meant to promote more retail and 401(k) investors' access to private credit and other alternative asset markets. These agencies—responsible for regulating retirement plans and the products in which they invest—are now guided by an Executive Order that calls for “democratizing” access to alternative assets, including private credit.

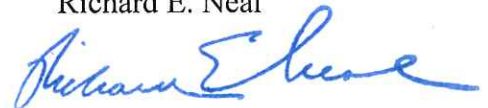
This recent push to encourage 401(k) plans to invest in private credit coincides with very concerning reports of private credit funds blocking investors' redemption requests and being downgraded by debt-ratings agencies. Because private credit operates outside of the relatively strict and transparent regulation of public credit (e.g. government bonds) and banking regulations, we have concerns about the reliability of valuations for these assets and the exposure of plan participants' retirement savings to an unknown level of risk.

Given the significant responsibility that plans and plan participants face in selecting investment options to grow and safeguard their retirement savings, and the known and unknown risks of investing in private credit, we would like GAO to answer the following questions:

- To what extent do defined benefit plans invest in alternative investments, specifically private credit? What percentage of these plans' alternative investments are made up of private credit? To what extent do any other investments in defined benefit plans invest in private credit?
- To what extent do the underlying investments options offered in 401(k) plans invest in private credit (e.g., is there exposure to private credit in mutual funds, exchange traded funds or collective investment trust options or other investment vehicles within the plans)? Similarly, how much of stable value fund assets are invested in private credit? With the recent guidance from the administration, are there trends towards increasing the exposure to private credit (either directly or indirectly) within defined contribution retirement plans? To the extent that there is such investment in private credit or that more is expected, would it be investment directly or substantially in private credit, or would it be investment in a broader fund with a small exposure to private credit? If it is the latter, what portion of the broader fund is invested in private credit?
- What are the benefits, risks, and challenges that retirement plans face in investing in private credit or offering it as an investment option (directly as a separate option or indirectly as part of a much larger fund)? How do defined benefit and 401(k) plans address the risks and challenges, such as valuing private credit, managing liquidity, and transparency issues, if any? What is the level of fees with respect to private credit within retirement plans?
- What are the potential conflicts of interest created by possible interrelatedness of private credit to parties-in-interest to retirement plans?
- What actions, if any, do regulators need to take to help plan participants, plan sponsors, and other fiduciaries to balance the risks and benefits of private credit in retirement plans?

Thank you in advance for your consideration of this request. Please contact Kara Getz at kara.getz@mail.house.gov with any questions.

Richard E. Neal



Member of Congress