

Q4 Private Credit Mark Checklist

Seven things SEC staff said it expects before the December 31 mark.

On September 28, 2026, the SEC's Chief Accountant and the Director of the Division of Investment Management issued a joint statement on fair value measurement and disclosure for private assets. It creates no new obligation. It is the staff's view of what ASC 820 and Rule 2a-5 already require, and examination and enforcement staff read the same page. The seven items below are what the statement asks for, translated into work a manager can finish before year end.

THE CHECKLIST

- 1 Check your marks against every other holder.**
Pull every borrower held by three or more reporting vehicles. Where your mark departs from the median by more than ten points, write down why. Other holders' marks, secondary indications and credit indices are reasonably available information a market participant would use.
ASC 820-10-35-54A · staff: "secondary market indications" and "relevant credit indices"
 - 2 Write the calibration memo for each position.**
Entry price, model output at entry, what assumptions changed since, and which secondary indications or credit indices you checked this quarter. The staff asks for periodic reassessment, not a one-time tie-out at close.
ASC 820-10-35-24C · calibration and periodic reassessment
 - 3 Replace the boilerplate Level 3 disclosure.**
By class at minimum, by borrower where material: technique, discount rate or spread, comparable transactions, and what a 100 basis point move does to the number. The staff names untailored language and over-aggregation as the problem.
ASC 820-10-50-2(bbb) significant inputs · 50-2(g) sensitivity
 - 4 Split PIK into structured and amendment.**
State when PIK is recognized, what share of income it is, and whether it was underwritten at close or converted mid-life. State the non-accrual criteria and what happens to interest accrued but not collected. Investors should be able to tell cash income from capitalized exposure.
Staff statement, disclosure section · ASC 946 income recognition
 - 5 Show the fair value effect of every modification.**
Extensions, covenant holidays, restructurings and sponsor infusions: the staff says these can be invisible in portfolio statistics. For each one this year, show what it did to the mark, not only the modification-accounting conclusion.
ASC 820-10-35-54A · staff: events "might not be readily apparent"
 - 6 Document the NAV practical expedient, position by position.**
The expedient is optional and management keeps responsibility for the conclusion. Record the secondary-market indications you considered and why the investee NAV still meets the criteria. It is unavailable if a sale below NAV is probable at the measurement date.
ASC 820-10-35-59 through 35-62 · staff cites \$220B of 2025 secondary volume
 - 7 Expect your auditor to ask for all of the above.**
The statement addresses auditors directly: test the reliability of investee financial statements, evaluate the evidence behind any adjustment, and do not accept less than persuasive evidence. Have the memos ready before fieldwork, not during it.
PCAOB AS 2501 · staff statement, auditor considerations
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Source: SEC staff, *Statement on Fair Value Measurement and Disclosure Considerations for Private Assets*, Kurt Hohl (Chief Accountant) and Brian Daly (Director, Division of Investment Management), 09-28-2026, [sec.gov/newsroom/speeches-statements](https://www.sec.gov/newsroom/speeches-statements). The statement represents the views of the staff and is not a rule, regulation or statement of the Commission. This checklist is MELD's reading of it and is not legal or accounting advice.