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Connecticut Reduces Size of Bond Deal by 15 Percent to \$526 Million.

NEW YORK (Reuters) – Connecticut, one of the lowest rated U.S. states, cut the size of its general obligation bond deal this week by 15 percent to \$526.4 million, according to final pricing information on Thursday.

The Connecticut Treasurer's office did not immediately reply to a request for comment on why the deal shrank from \$620 million.

Typically, a deal can be reduced because investors wanted more yield than the issuer could pay, or because demand for the bonds was lower than expected.

Final prices on the deal did not change from preliminary levels. The state's spread over top-rated municipal bonds widened since it last issued similar debt a year ago.

That means that the state, which has budget problems and high debt levels despite being one of the wealthiest in the country, had to pay more to borrow in part because of its credit woes.

by Hilary Russ

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