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Puerto Rico Is Out of Bankruptcy After a \$22 Billion Debt Exchange.

- **Bond exchange reduces \$22 billion of bonds to about \$7 billion**
- **Bondholders to be paid for first time in almost six years**

Puerto Rico's ended its nearly five-year bankruptcy as the commonwealth restructured \$22 billion of debt, a crucial step that aims to help the island's economy and repair its finances.

The U.S. territory cut the debt down to about \$7 billion Tuesday through a bond exchange where investors hand in their securities for new general obligations. The transaction effectively ends Puerto Rico's bankruptcy and resolves a major chunk of the \$74 billion of debt that the island and its agencies had racked up when the bankruptcy began in May 2017.

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Bloomberg Markets

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March 14, 2022

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