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Wisconsin Utilizes Delayed Draw Term Loan.

That's some fancy financing, Bob.

The latest [municipal issuer brief](#) from Municipal Market Advisors highlights a unique move by the state of Wisconsin designed to avoid the expected increase in interest rates in the coming year or so. Rather than waiting until next year to go to the municipal market and refinance a certain set of bonds, the state got a \$278 million loan secured directly from a bank. In doing so, Wisconsin locks in today's interest rates and can pay off bondholders next year with the proceeds.

MMA notes that this type of refinancing tool, called a delayed draw term loan, may be something more issuers do to take advantage of today's rates before they rise. But, because of its complexity and disclosure requirements, this will likely only appeal to large municipalities or states that are very accustomed to issuing bonds.

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