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Citigroup to Host Monday Meeting with Puerto Rico Bondholders.

Citigroup Inc. intends to host a meeting of Puerto Rico bondholders on Monday in New York that will include a presentation by former International Monetary Fund official Anne Krueger, according to a person familiar with the situation.

A recent report by Ms. Krueger, former first deputy managing director of the IMF, recommended reducing the commonwealth's debt payments by offering to exchange some debt for new bonds with longer maturities. Citi has handled such exchanges in the past, including a deal to buy back and refinance water and sewer bonds that helped Detroit save money during its bankruptcy.

Puerto Rico has about \$72 billion in debt outstanding and is struggling with a weak economy and declining population. Gov. Alejandro Garcia Padilla said last week the commonwealth can't pay its debts and called for negotiations with bondholders. Analysts have said the commonwealth's government could run out of cash in coming months, which could lead to a government shutdown, employee furloughs and other emergency measures.

Some Puerto Rico bonds sold last year traded Wednesday at about 70 cents on the dollar, after touching all-time lows of around 64 cents last week, according to the Electronic Municipal Market Access website.

Ms. Krueger's presentation is scheduled for 3 p.m. and will be streamed live on the Internet, according to the person familiar with the plans. Citigroup is working as a broker-dealer for the island, handling assignments such as bond tenders and debt exchanges, the person said.

Other Puerto Rico consultants—including restructuring adviser Millstein & Co. and municipal-bond adviser PFM Group, as well as government officials—may also speak Monday.

The meeting comes after the Puerto Rico Electric Power Authority paid all principal and interest due to bondholders last week, buying the publicly owned utility time as it works to reach a deal with creditors. The authority, known as Prepa, said it had agreed with creditors, which include bondholders, banks and bond insurers, to extend restructuring talks to September.

A bondholders' group said in a news release that they would continue to work with Prepa to reach a long-term plan. In addition to negotiations about Prepa's \$9 billion in debt, the talks involve plans to modernize the utility's operations.

Investors and analysts had feared a default by Prepa could be the first of many from the commonwealth. Now, there's hope among some investors that the utility will work out an agreement that could be a model for restructuring other Puerto Rico agencies.

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By AARON KURILOFF

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Write to Aaron Kuriloff at aaron.kuriloff@wsj.com

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