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Puerto Rico Registers to Sell Notes as May 1 Default Looms.

Puerto Rico's Government Development Bank, operating under a state of emergency imposed to halt an erosion of its dwindling cash, has filed with regulators to sell debt as officials negotiate with creditors about a \$422 million payment owed at the start of May.

The GDB, which lent to the commonwealth and its agencies, filed to sell taxable securities that would mature May 2017, according to the Municipal Securities Rulemaking Board's website, called EMMA. The notice doesn't list the amount of the sale or the coupon. The commonwealth hasn't been able to sell debt since last year.

Governor Alejandro Garcia Padilla declared the state of emergency April 9, allowing withdrawals from the GDB only to fund health, public safety and education services. The bank has \$562 million of liquidity, according to a debt-moratorium law passed two weeks ago.

Barbara Morgan, a representative at SKDKnickerbocker in New York who represents the GDB, didn't have an immediate comment.

The Puerto Rico Aqueduct and Sewer Authority sold \$75 million of short-term debt via private placement in September, data compiled by Bloomberg show. The commonwealth's Infrastructure Financing Authority sold \$256 million of two-year debt in March 2015. The GDB's last borrowing was a short-term note sale in October 2014.

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